

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Filing at a Glance

Company: Cigna Health and Life Insurance Company
Product Name: Medical
State: VermontGMCB
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.002A Large Group Only - PPO
Filing Type: GMCB Rate
Date Submitted: 12/30/2016
SERFF Tr Num: CCGP-130705386
SERFF Status: Closed-Approved
State Tr Num:
State Status:
Co Tr Num: 67369
Implementation: On Approval
Date Requested:
Author(s): Maria Mahmood, Jennifer Linstone
Reviewer(s): Thomas Crompton (primary), David Dillon, Judith Henkin, Jacqueline Lee, Marisa Melamed, Noel Hudson
Disposition Date: 04/07/2017
Disposition Status: Approved
Implementation Date: 07/31/2017
State Filing Description:

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

General Information

Project Name: CHLIC Rate Filing	Status of Filing in Domicile:
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Large
Group Market Type: Employer	Overall Rate Impact:
Filing Status Changed: 04/07/2017	
State Status Changed:	Deemer Date:
Created By: Maria Mahmood	Submitted By: Maria Mahmood
Corresponding Filing Tracking Number:	
PPACA: Not PPACA-Related	
PPACA Notes: null	
Include Exchange Intentions:	No

Filing Description:
 CIGNA Health and Life Insurance Company
 GROUP HEALTH RATING MANUAL
 NAIC# 67369

Enclosed is a rate filing for Cigna Health and Life Insurance Company (CHLIC) medical benefits for large employer groups. Claim costs and factors are being filed for Open Access Plus, PPO, Network, Indemnity, and retiree medical insurance products as well as the pharmacy, mental health/substance abuse and other riders. These rates will be applied to new quotes upon the next pricing model implementation date following the filing approval date.

The previous filing was approved on 3/29/2016 under Serff Tracking number CCGP-130243269.

The attached Vermont Filing Summary shows historical earned premium, incurred losses, and loss ratios, Vermont and countrywide. Please note that the values in the exhibit have been developed in such a way as to be consistent with the company's Supplemental Health Care Exhibits.

Please contact Matthew Danziger at (860) 226-1672 or at matthew.danziger@cigna.com with any questions or concerns regarding this filing.

Company and Contact

Filing Contact Information

Maria Mahmood, Compliance Specialist	maria.mahmood@cigna.com
900 Cottage Grove Road	860-226-5080 [Phone]
C5PRC	860-226-3183 [FAX]
Hartford, CT 06152-1233	

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Filing Company Information

Cigna Health and Life Insurance
Company
900 Cottage Grove Road
Bloomfield, CT 06002
(860) 226-3000 ext. [Phone]

CoCode: 67369
Group Code: 901
Group Name:
FEIN Number: 59-1031071

State of Domicile: Connecticut
Company Type: LAH
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State: VermontGMCB
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Filing Company: Cigna Health and Life Insurance Company

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Noel Hudson	04/07/2017	04/07/2017

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	David Dillon	02/06/2017	02/06/2017
Pending Response	David Dillon	01/26/2017	01/26/2017
Pending Response	David Dillon	01/17/2017	01/17/2017

Response Letters

Responded By	Created On	Date Submitted
Maria Mahmood	02/10/2017	02/10/2017
Maria Mahmood	02/02/2017	02/02/2017
Maria Mahmood	01/24/2017	01/24/2017

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Actuarial Memorandum	Maria Mahmood	04/06/2017	04/06/2017
Supporting Document	Letter in response to final GMCB order	Maria Mahmood	04/06/2017	04/06/2017

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Original RRS and RRD	Reviewer Note	Noel Hudson	04/07/2017	

State: VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: Medical

Project Name/Number: CHLIC Rate Filing/

Disposition

Disposition Date: 04/07/2017

Implementation Date: 07/31/2017

Status: Approved

HHS Status: Not Reported

State Review: Reviewed by Actuary

Comment:

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Cigna Health and Life Insurance Company	Decrease	-5.400%	-5.400%	\$-758,438	12	\$13,256,891	-1.700%	-11.200%

Percent Change Approved:

Minimum: -11.200%

Maximum: -1.700%

Weighted Average: -5.400%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Actuarial Memorandum		No
Supporting Document	Actuarial Memorandum		No
Supporting Document	Actuarial Memorandum and Certifications		No
Supporting Document	Civil Union Rating Requirements		No
Supporting Document	Consumer Disclosure Form		No
Supporting Document	Filing Compliance Certification		No
Supporting Document	Third Party Filing Authorization		No
Supporting Document	Unified Rate Review Template		No
Supporting Document	Response to Objection Dated 1/17/17		No
Supporting Document	Response to Objection Dated 1/26/17		No
Supporting Document	Response to Objection Dated 2/6/17		No

SERFF Tracking #:

CCGP-130705386

State Tracking #:

Company Tracking #:

67369

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

Medical

Project Name/Number:

CHLIC Rate Filing/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Letter in response to final GMCB order		No
Rate	Rate manual		No

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	02/06/2017
Submitted Date	02/06/2017
Respond By Date	02/10/2017

Dear Maria Mahmood,

Introduction:

Please see attached.

Conclusion:

Sincerely,
David Dillon

Dallas

Cabe W. Chadick, F.S.A.
 S. Scott Gibson, F.S.A.
 Glenn A. Tobleman, F.S.A., F.C.A.S.
 Michael A. Mayberry, F.S.A.
 David M. Dillon, F.S.A.
 Gregory S. Wilson, F.C.A.S.
 Steven D. Bryson, F.S.A.
 Brian D. Rankin, F.S.A.
 Bonnie S. Albritton, F.S.A.
 Jacqueline B. Lee, F.S.A.
 Xiaoxiao (Lisa) Jiang, F.S.A.
 Brian C. Stentz, A.S.A.
 Jennifer M. Allen, A.S.A.
 Josh A. Hammerquist, A.S.A.
 Johnathan L. O'Dell, A.S.A.
 Clint Prater, A.S.A.
 Larry Choi, A.S.A.
 Kevin Ruggenberg, A.S.A.
 Traci Hughes, A.S.A.

**Kansas City**

Gary L. Rose, F.S.A.
 Terry M. Long, F.S.A.
 Leon L. Langlitz, F.S.A.
 D. Patrick Glenn, A.S.A., A.C.A.S.
 Christopher J. Merkel, F.S.A.
 Christopher H. Davis, F.S.A.
 Karen E. Elsom, F.S.A.
 Jill J. Humes, F.S.A.
 Kimberly S. Shores, F.S.A.
 Michael A. Brown, F.S.A.
 Naomi J. Kloppersmith, F.S.A.
 Stephanie T. Crownhart, F.S.A.
 Mark W. Birdsall, F.S.A.

London/Kansas City

Timothy A. DeMars, F.S.A., F.I.A.
 Scott E. Morrow, F.S.A., F.I.A.

Denver

Mark P. Stukowski, F.S.A.
 William J. Gorski, F.S.A.

Indianapolis

Kathryn R. Koch, A.C.A.S.

Baltimore

David A. Palmer, C.F.E.

February 6, 2017

Matthew D. Danziger, FSA, MAAA
 Actuarial Director
 Cigna Health and Life Insurance Company
 900 Cottage Grove Road
 Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
 Company NAIC # 67369; FEIN # 59-1031071
 VT - Cigna LG Major Medical Filing 2017
 SERFF Tracking # CCGP-130705386

Dear Mr. Danziger:

Thank you for your responses. We have the following additional questions regarding this filing:

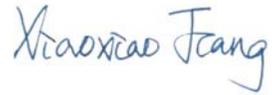
1. The following table was provided in your 1/24/17 response.
 - a) Please provide detailed support for the derivation of the 9.4% figure.
 - b) Please confirm that the following table is for an illustrative effective date of 1/1/2017.
 - c) If so, what would the numbers be for a 7/1//2017 effective date (i.e., for those accounts with coverage including 6 months in 2018 calendar year)?

Category	Change
Rating Variables	-11.0%
Med+Rx Filed Trend	9.4%
MLR Impact	-1.1%
Total Impact	-3.7%

Please respond as soon as possible, but no later than February 10, 2017.

Our review of filing will be placed in suspense pending your response. Contact me if you have any questions.

Sincerely,



Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary
Lewis & Ellis, Inc.
ljiang@lewisellis.com
(972)850-0850

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	01/26/2017
Submitted Date	01/26/2017
Respond By Date	02/02/2017

Dear Maria Mahmood,

Introduction:

Please see attached.

Conclusion:

Sincerely,
David Dillon

Dallas

Cabe W. Chadick, F.S.A.
S. Scott Gibson, F.S.A.
Glenn A. Tobleman, F.S.A., F.C.A.S.
Michael A. Mayberry, F.S.A.
David M. Dillon, F.S.A.
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Brian C. Stentz, A.S.A.
Jennifer M. Allen, A.S.A.
Josh A. Hammerquist, A.S.A.
Johnathan L. O'Dell, A.S.A.
Clint Prater, A.S.A.
Larry Choi, A.S.A.
Kevin Ruggenberg, A.S.A.
Traci Hughes, A.S.A.

**Kansas City**

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Christopher H. Davis, F.S.A.
Karen E. Elsom, F.S.A.
Jill J. Humes, F.S.A.
Kimberly S. Shores, F.S.A.
Michael A. Brown, F.S.A.
Naomi J. Kloppersmith, F.S.A.
Stephanie T. Crownhart, F.S.A.
Mark W. Birdsall, F.S.A.

London/Kansas City

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William J. Gorski, F.S.A.

Indianapolis

Kathryn R. Koch, A.C.A.S.

Baltimore

David A. Palmer, C.F.E.

January 26, 2017

Matthew D. Danziger, FSA, MAAA
Actuarial Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2017
SERFF Tracking # CCGP-130705386

Dear Mr. Danziger:

Thank you for your responses. We have the following additional questions regarding this filing:

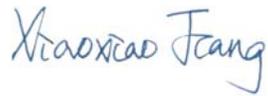
1. As indicated in response 1, the -3.7% is calculated for a representative sample of VT situated business. In the past, you have described this sample to be a combination of fully insured cases and self-insured cases (for additional credibility). What additional documentation or support could you provide to show that the additional groups are representative of the VT situated business? Please provide this additional documentation.
2. Of the -11% impact as a result of updating rating variables on a 1/1/2017 basis, how much of it comes from the medical area factors, medical trend, Rx area factors, and Rx trend, respectively? If the above are not the primary contributing forces to the -11% impact, please also list other factors and their impact. Provide detailed support.
3. Please provide additional support for the change in the professional unit trend from 2016 to 2017.
4. Please explain in more detail the change of Rx utilization trend from the last approved filing.
5. Why would the PPACA Fees as a percent of premium be 0.0%, given that the Health Insurance Industry Fee will be 3.5% of premium for 2018?

6. What is the realized profit for the block of Large Group for 2015? Please make sure that the figure can be backed up by the 2015 financial statement.
7. What is the projected profit for the block of Large Group for 2016? Please make sure that the figure will be reasonably backed up by the forthcoming 2016 annual statement.

Please respond no later than February 2, 2017.

Our review of filing will be placed in suspense pending your response. Contact me if you have any questions.

Sincerely,



Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary
Lewis & Ellis, Inc.
ljiang@lewisellis.com
(972)850-0850

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	01/17/2017
Submitted Date	01/17/2017
Respond By Date	01/24/2017

Dear Maria Mahmood,

Introduction:

Please see the attached objection letter.

Conclusion:

Sincerely,
David Dillon

Dallas

Cabe W. Chadick, F.S.A.
S. Scott Gibson, F.S.A.
Glenn A. Tobleman, F.S.A., F.C.A.S.
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Traci Hughes, A.S.A.

**Kansas City**

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Baltimore

David A. Palmer, C.F.E.

January 17, 2017

Matthew D. Danziger, FSA, MAAA
Actuarial Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2017
SERFF Tracking # CCGP-130705386

Dear Mr. Danziger:

Lewis & Ellis, Inc (L&E) have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced Large Group product filing submitted on 12/30/2016. Upon review of the actuarial memorandum and related information submitted, the following additional information is needed:

1. Please list and quantify the reasons for the overall rate impact of -3.70%, and provide an example showing the detailed calculation of a policyholder receiving the -9.7% minimum rate increase and one with the 0.1% maximum rate increase.
2. As indicated in the actuarial memorandum and evidenced in Table 1, the medical base claims have changed from the last approved filing.
 - a. Please explain in more details about the changes, including but not limited to experience period and data sources;
 - b. Quantify the impact of updating base medical claim assumptions and the CPD table respectively and their combined effect.
3. Regarding the medical trend assumptions,
 - a. Please provide detailed quantitative and qualitative support for them;

- b. Please quantify the impact of updating medical trend assumptions.
4. As indicated in the actuarial memorandum, the methodology for rating pharmacy benefits has significantly changed.
 - a. Please provide a summary of the major changes from the last approved filing, and explain the reasons for these changes;
 - b. We have noticed a few new formulary types listed in the current filing. What are the reasons for the new formulary types, and how are they mapped to the current formulary types?
 - c. How are the data for mail order drugs being reported and trended?
 - d. What are the overall pharmacy cost and utilization trend for 2016 and 2017 respectively? Please provide a comparison of the pharmacy trends to those used in the last approved filing, and explain in more details the driving forces of the changes in the pharmacy trend assumptions.
5. Provide the derivation of the projected federal MLR for 2017, starting with the target loss ratio.
6. Please explain any significant changes in the retention assumptions, and explain how the retention assumptions in this filing compare to experience. Also, please confirm that the 0.0% PPACA Fees are intended for the entire period when the new rates are implemented.

Please respond no later than January 24, 2017.

Our review of filing will be placed in suspense pending your response. Contact me if you have any questions.

Sincerely,



Xiaoxiao Lisa Jiang, FSA, MAAA
Consulting Actuary
Lewis & Ellis, Inc.
ljiang@lewisellis.com
(972)850-0850

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/10/2017
Submitted Date	02/10/2017

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response.

Thanks,

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 2/6/17
Comments:	
Attachment(s):	Objection Letter 3 Responses - FINAL.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/02/2017
Submitted Date	02/02/2017

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response letter.

Thanks,

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 1/26/17
Comments:	
Attachment(s):	Objection Letter 2 Responses - Final.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 01/24/2017
 Submitted Date 01/24/2017

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

In response to your objections, please see attached letter. Thanks.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 1/17/17
Comments:	
Attachment(s):	Objection Letter 1 Responses - FINAL.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Amendment Letter

Submitted Date: 04/06/2017

Comments:

We are submitting revision to the rate filing to comply with the GMCB final order received on 3/28/17.

Included are:

Revised Actuarial Memorandum

Letter in response to the GMCB Order

In addition, the rate/rule schedule tab has been updated. A post-submission update was submitted.

Thanks,

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	CHLIC-VTexh.pdf CHLIC - VTactuarial memo_Revised Per Mandate.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>CHLIC - VTactuarial memo.pdf CHLIC-VTexh.pdf</i>
Satisfied - Item:	Letter in response to final GMCB order
Comments:	
Attachment(s):	Cigna memorandum in response to final GMCB order.pdf

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Reviewer Note

Created By:

Noel Hudson on 04/07/2017 09:18 AM

Subject:

Original RRS and RRD

Comments:

Original RRS and RRD

Original RRS tab submitted December 30, 2016

This Rate filing is not eligible for reporting to HHS.

[View/Edit Rate Justification](#)

Filing Method: SERFF
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: -3.900 %
Effective Date of Last Rate Revision: 05/16/2016
Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Company Rate Change? *	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Cigna Health and Life Insurance Company	Decrease	-3.700 %	-3.700 %	(\$521,911.00)	12	\$13,493,418.00	0.100 %	-9.700 %

RRD submitted December 30, 2016

Company Name: Cigna Health and Life Insurance Company

HHS Issuer ID: ⓘ * 67369

PRODUCTS: ⓘ *

Product Name * **HIOS Product ID** **HIOS Submission ID** **Number of Covered Lives** *

PPO, Open Access Plus, Network 1940

Trend Factors: ⓘ 7.8%

FORMS: * ⓘ

New Policy Forms: n/a

Affected Forms for Closed Blocks: n/a

Other Affected Forms: HP-POL et al

REQUESTED RATE CHANGE INFORMATION: ⓘ

Change Period: * Annual

Member Months: * 25081

Benefit Change: * None

Percent Rate Change Requested: Min: -9.7% Max: 0.1% Weighted Avg.: -3.7%

PRIOR RATE: ⓘ

Total Earned Premium: * 14015329

Total Incurred Claims: * 11856968

Annualized PMPM \$: Min: * \$ 299.37 Max: * \$ 828.17 Weighted Avg.: * \$ 558.8

REQUESTED RATE: ⓘ

Projected Earned Premium: * 13493418

Projected Incurred Claims: * 11546752

Annualized PMPM \$: Min: * \$ 270.48 Max: * \$ 828.86 Weighted Avg.: * \$ 538

State: VermontGMCB Filing Company: Cigna Health and Life Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: Medical
 Project Name/Number: CHLIC Rate Filing/

Post Submission Update Request Processed On 04/07/2017

Status: Allowed
 Created By: Maria Mahmood
 Processed By: Noel Hudson
 Comments: Updated RRS and RRD to match GMCB decision and order

Company Rate Information:

Company Name:Cigna Health and Life Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	-5.400%	-3.700%
Overall % Rate Impact	-5.400%	-3.700%
Written Premium Change for this Program	\$-758438	\$-521911
Written Premium for this Program	\$13256891	\$13493418
Maximum %Change (where required)	-1.700%	0.100%
Minimum %Change (where required)	-11.200%	-9.700%
Product:	NEW	
Product Name	PPO, Open Access Plus, Network	
Number of Covered Lives	1940	

REQUESTED RATE CHANGE INFORMATION:

Min:	-11.200	-9.700
Max:	-1.700	0.1
Weighted Avg.:	-5.400	-3.7

REQUESTED RATE:

Projected Earned Premium:	13,256,891.000	13,493,418.000
Min:	265.740	270.480
Max:	814.330	828.860
Weighted Avg.:	528.560	538.000

SERFF Tracking #:

CCGP-130705386

State Tracking #:

Company Tracking #:

67369

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: -3.900%
Effective Date of Last Rate Revision: 05/16/2016
Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Cigna Health and Life Insurance Company	Decrease	-5.400%	-5.400%	\$-758,438	12	\$13,256,891	-1.700%	-11.200%

State: VermontGMCB Filing Company: Cigna Health and Life Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: Medical
 Project Name/Number: CHLIC Rate Filing/

Rate Review Detail

COMPANY:

Company Name: Cigna Health and Life Insurance Company
 HHS Issuer Id: 67369

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
PPO, Open Access Plus, Network			1940

Trend Factors: 7.8%

FORMS:

New Policy Forms: n/a
 Affected Forms: n/a
 Other Affected Forms: HP-POL et al

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 25,081
 Benefit Change: None
 Percent Change Requested: Min: -11.2 Max: -1.7 Avg: -5.4

PRIOR RATE:

Total Earned Premium: 14,015,329.00
 Total Incurred Claims: 11,856,968.00
 Annual \$: Min: 299.37 Max: 828.17 Avg: 558.80

REQUESTED RATE:

Projected Earned Premium: 13,256,891.00
 Projected Incurred Claims: 11,546,752.00
 Annual \$: Min: 265.74 Max: 814.33 Avg: 528.56

SERFF Tracking #:

CCGP-130705386

State Tracking #:

Company Tracking #:

67369

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

Medical

Project Name/Number:

CHLIC Rate Filing/

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate manual	HP-POL et al	Revised	Previous State Filing Number: CCGP-130243269 Percent Rate Change Request:	2017 CHLIC Rate Filing VT.pdf,

Cigna Health and Life Insurance Company

Rate Filing

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Medical Manual Rating Formulas

1 Transform Census

Using experience-based demographic assumptions, transform the employee-level census into a member-level census. Skip to Step 2 if the census is already at the member level.

2 Calculate Base Medical Claim Costs

Run the members from the census in Step 1 through the calculations in Step 2 to determine in-network (IN) base medical claim costs. For plans with out-of-network (OON) benefits, calculate the base medical claim costs using the methodology outlined in Step 2 but with OON assumptions and benefits. For indemnity plans, calculate all claim costs using only OON assumptions.

Calculate expected claim costs on a per member per month (PMPM) basis.

2.1 National Base Claims

National base claim costs for experience-rated business are established for all major service categories (MSCs). The MSCs may be further subdivided into sub-cost categories (SCCs). These are:

- MSC
 - Inpatient [Hospital] (IP)
 - Outpatient [Hospital] (OP)
 - Emergency Room (ER)
 - Primary Care Physician (PCP)
 - Specialty Care Physician (SCP)
 - Other
 - Preventive Care
 - Pharmacy (if combined with medical)
- SCC
 - Facility
 - Professional
 - Lab
 - Radiology
 - Advanced Radiology (ARI)

See *Table 1 – Medical Base Claims* for the current base claim costs for each MSC (both IN and OON).

See *Table 2 – MSC Weighting by SCC* for the percentage of each MSC composed of each SCC.

Calculate the base claim cost at the SCC level by pulling the base claim costs for each MSC from the applicable pricing table and applying the appropriate weighting for each SCC.

$$\text{Base Claim Cost by MSC and SCC} = [\text{Base Claim Cost by MSC}] \times [\text{SCC \%}]$$

The base claim cost by MSC and SCC will be referred to as *base claims*, with the understanding that they have already been divided into categories. Also, the term *service categories* will be used to refer to MSCs divided fully into SCCs (e.g., “Inpatient Facility” or “SCP ARI”), while any specific reference to MSCs alone will be clearly noted.

Pharmacy base claims are calculated in Step 6.13.2 and are used to develop medical manual rates (during Step 2.5) only if the plan features combined medical and pharmacy claims.

If preventive care coverage is elected for children only, then the preventive care base claim cost will depend on the elected child age. See *Table 3 – Preventive Care Child Age Adjustment* to determine what portion of preventive care base claim costs to use.

2.2 National Trend

2.2.1 Calculate Trend Factor

To establish expected base claim costs for the policy period, the base claim costs from Step 2.1 must be trended forward from the midpoint of the base claim period (the year of experience from which base claims are determined) to the midpoint of the policy period.

In this step, calculate a trend factor based on national trend (to be applied in Step 2.2.2). A trend factor based on area-specific trend is calculated and applied in Step 2.7.

National trend values may be found in *Table 4 – National Medical Trend*.

- The following dates and values are required:
 - a. The midpoint of the base claim period
 - b. The midpoint of the policy period
 - c. Trend days: days between the midpoint of the base claim period and the midpoint of the policy period. These are the days over which trend must be applied.
- Calculate the actual trend factor to be applied for each year.
 - a. Each one-year period starting from the midpoint of the base claim period has an associated trend value.
 - b. Each of those one-year periods contains some number of trend days. The percentage of trend days that fall into each one-year period is the trend exposure percentage for that one-year period.
 - c. Calculate the actual portion of trend to be applied from each one-year period with:

$$\text{Trend Factor} = [1 + \text{Trend}]^{(\text{Trend Exposure Percentage})}$$

- The total trend factor is the product of all trend factors.

2.2.2 Apply Trend Factor (National)

Apply the total trend factor (for national trend) determined in Step 2.2.1 to the base claims from Step 2.1.

$$\text{Trended Base Claims} = [\text{Base Claims}] \times [\text{Total Trend Factor (National)}]$$

2.3 Copays – Calculate Effective Copay Percentage

Calculating the cost-share due to copays in Step 2.5 requires the effective copay percentage, which is calculated for each service category as follows:

- Determine:
 - Utilization: See *Table 5 – National Utilization Rates by MSC* for the annual expected utilization rate per member for each MSC.
 - SCC Weighting: See *Table 2 – MSC Weighting by SCC*.
 - Copay: Copay dollar amounts (if any) from the plan design.

- Calculate:

$$\text{Dollar Copay Impact} = \frac{[\text{Utilization}] \times [\text{SCC Weighting}] \times [\text{Copay}]}{12}$$

$$\text{Effective Copay Percentage} = \frac{\text{Dollar Copay Impact}}{\text{Trended Base Claims (from Step 2.2.2)}}$$

The impact of copays for Mental Health/Substance Use Disorders (MH/SUD) is calculated in Step 4.3.

2.4 Effective Deductible and Out-of-Pocket Maximum

Throughout Step 2.5, calculations that require the deductible or out-of-pocket (OOP) maximum will use the effective deductible or effective OOP maximum. An adjustment factor is applied to the plan deductible and OOP maximum in order to arrive at the effective values. These adjustment factors depend on two things:

- The plan deductible (or OOP maximum).
- The ratio of the family deductible to the individual deductible (or OOP maximum).

For the deductible adjustment factor, see *Table 7 – Medical Effective Deductible Adjustment*.

For the OOP maximum adjustment factor, see *Table 8 – Medical Effective OOP Maximum Adjustment*.

$$\text{Effective Deductible} = [\text{Individual Deductible}] \times [\text{Deductible Adjustment Factor}]$$

$$\text{Effective OOP Maximum} = [\text{Individual OOP Maximum}] \times [\text{OOP Maximum Adjustment Factor}]$$

2.5 Cost-Share

Overview for this step: Calculate the expected offset to claim costs due to member cost-sharing by modifying the claims probability distribution (CPD) to remove member cost-sharing from total claims.

Steps 2.5.2 through 2.5.9 provide detail on this process. The modified CPD at a given step will be referred to as the CPD from the step in which the modification occurred. The claims that fall into either member cost-share or Cigna cost-share will be noted.

See *Table 9 – Medical Claims Probability Distribution* for the full medical CPD (which will also be referred to as the *base CPD*).

The pharmacy column of the medical CPD is used only if the plan features combined medical and pharmacy claims.

The final member cost-sharing for the preventive care MSC is calculated in Step 2.5.9 and does not use the CPD methodology.

2.5.1 Benefits Dependent on Number of Visits

Benefits for a particular service category may change depending on the number of visits. For example, copays could be selected such that one copay amount applies to the first PCP visit while another copay amount applies to any subsequent visits. The change in cost-share for each distinct benefit must be accounted for in calculating final cost-share.

For those service categories, multiply the average cost of a visit by the number of visits at which benefits change (according to the plan design) to get the claims breakpoint. Between each claims breakpoint on the CPD, apply the appropriate cost-share calculation throughout Step 2.5 for the applicable benefit.

2.5.2 Base Claim Costs

Split the columns of the base CPD by the appropriate SCC weighting for the MSC (as listed in *Table 2 – MSC Weighting by SCC*). Scale the claims for each service category by the respective trended base claims from Step 2.2.2.

If pharmacy and medical claims are combined, use the 'Estimated Annual Cost' (converted to monthly) from the pharmacy Step 6.13.2 to scale the pharmacy service category.

2.5.3 Copays before the Deductible

If copays apply before the deductible, multiply the service categories with copays in the Step 2.5.2 CPD by $[1 - \text{Effective Copay Percentage}]$ (calculated in Step 2.3). Otherwise, the service categories are not adjusted.

To find the member cost-sharing from copays (before the deductible), subtract the claims in the Step 2.5.3 CPD from the claims Step 2.5.2 CPD.

2.5.4 Deductible

For service categories subject to the deductible, claims below the effective deductible (calculated in Step 2.4) are cost-share for the member. Proportionately remove claims below the effective deductible from the 2.5.3 CPD.

If pharmacy and medical claims are combined and cost share has been waived for certain classes of prescription drugs (e.g., waiving cost share for preventive medications), use the pharmacy CPD (outlined in Table 54, Table 55 and Table 56) to calculate the percentage of pharmacy claims subject to the deductible and only the portion of pharmacy claims that are subject to the deductible are included in the pharmacy service category.

2.5.5 Effective Coinsurance

For each service category, calculate the effective coinsurance as a combination of coinsurance and cost-sharing from copays that apply after the deductible (either or both may apply).

$$\text{Effective Coinsurance} = [\text{Plan Coinsurance}] \times [1 - \text{Effective Copay Percentage (from Step 2.3)}]$$

If the service category has no copay after the deductible, the effective copay percentage is zero (leaving only coinsurance). If the service category is subject only to a copay after the deductible, the plan coinsurance is one (i.e., all costs beyond the copay are Cigna cost-share).

Multiply the claims for each service category by the applicable effective coinsurance. For service categories that are not subject to the deductible, use the claims from the Step 2.5.3 CPD, and for service categories subject to the deductible, use the claims from the Step 2.5.4 CPD.

If pharmacy and medical claims are combined, use $[1 - \text{Regular Member Cost Share}]$ from Step 6.13.10 as the effective coinsurance for the pharmacy service category.

2.5.6 Out-of-Pocket Maximum

Add up all the components of member cost-share that apply to the OOP maximum. All claims above the effective OOP maximum (calculated in Step 2.4) become Cigna cost-share.

2.5.7 Annual Maximum

Add up the Cigna cost-share (claims in the Step 2.5.5 CPD and claims above the OOP maximum from Step 2.5.6). All claims above the annual maximum (if applicable) become member cost-share.

2.5.8 Member Cost-Sharing Percentage

Calculate the member cost-sharing percentage for each MSC.

Determine the Cigna cost-share for each MSC. This comprises claims in the Step 2.5.5 CPD and claims above the OOP maximum and below the annual maximum (if applicable) from Steps 2.5.6 and 2.5.7.

$$\text{Member Cost-Sharing Percentage} = 1 - \frac{[\text{Cigna Cost-Share}]}{[\text{Trended Base Claims (Step 2.2.2)}]}$$

If pharmacy and medical claims are combined, the pharmacy trended base claims are the 'Estimated Annual Cost' (converted to monthly) from Step 6.13.2. The pharmacy member cost-sharing percentage is used as the effective member cost-share for pharmacy benefits in Step 6.13.11.

2.5.9 Collective Accumulation Adjustment

If the plan features collective accumulation (in the deductible and/or OOP maximum), add a collective accumulation adjustment to each member cost-sharing percentage from Step 2.5.8.

Definition of terms:

- Accumulator: generic term for the deductible or OOP maximum (both if plural)
- Average family size: the ratio of family members to family subscribers
- Deductible multiplier: the ratio of the family deductible to the individual deductible
- OOP maximum multiplier: the ratio of the family OOP maximum to the individual OOP maximum

To calculate the collective accumulation adjustment: using the deductible and OOP maximum from the plan design as rated, determine the accumulators that a family and an individual within a family would experience under the two following scenarios:

- The deductible and OOP maximum are non-collective
- The deductible and OOP maximum follow the plan design as rated (i.e. plan-as-rated)

For each scenario, determine the *effective* deductible and OOP maximum that an individual within a family would experience. To do this, multiply the deductible and OOP maximum for an individual within a family by the factors found in *Table 12 – Effective Deductible - Collective Adjustment* and *Table 13 – Effective OOP Maximum - Collective Adjustment* (the factors depend on the individual deductible or OOP, respective multiplier, and average family size). If necessary, interpolate between the nearest multipliers to calculate the adjustment.

For a plan where the deductible is collective and the OOP maximum is non-collective, if the OOP maximum for an individual is sufficiently close to the family deductible, use *Table 14 – Effective Coinsurance - Collective Adjustment* to determine the effective coinsurance used in this calculation. The table is based on the plan coinsurance and the average family size.

For each scenario, apply the plan coinsurance (or effective coinsurance, if applicable), effective individual deductible, and effective individual OOP maximum to the “Total Annual Claims” column of the Step 2.5.2 CPD to calculate member cost-share. Calculate the preliminary collective adjustment based on the calculated cost-share for the non-collective and plan-as-rated scenarios as follows:

$$\text{Preliminary Collective Adjustment} = [\text{Plan-As-Rated Cost Share}] - [\text{Non-Collective Cost Share}]$$

In order to normalize the difference between the simulated non-collective cost share (calculated as above and termed “Non-Collective Cost Share”) and actual non-collective cost share (calculated in Step 2.5.8), multiply the preliminary collective adjustment by the ratio of the two aforementioned cost-share calculations.

$$\begin{aligned} &\text{Normalized Collective Adjustment} \\ &= [\text{Preliminary Collective Adjustment}] \times \frac{[\text{Member Cost-Sharing Percentage (Step 2.5.8)}]}{[\text{Non-Collective Cost Share}]} \end{aligned}$$

Lastly, the collective adjustment only impacts family plans. In order to calculate the final collective adjustment, dampen the normalized collective adjustment by the single to total member ratio. Calculate:

$$\text{Single to Total Member Ratio} = \frac{[\text{Count of Subscribers Without Dependents}]}{[\text{Total Members}]}$$

Then

$$\text{Final Collective Adjustment} = [\text{Normalized Collective Adjustment}] \times [1 - \text{Single to Total Member Ratio}]$$

2.5.10 Final Member Cost-Sharing Percentage

If applicable, add the collective accumulation adjustment from Step 2.5.9 to the Step 2.5.8 member cost-sharing percentage to get the final member cost-sharing percentage. If the plan does not have collective accumulation, the final member cost-sharing percentage is equal to the percentage calculated in Step 2.5.8.

If preventive care is covered with cost-sharing, the final member cost-sharing percentage for the preventive care MSC is calculated as a blend of the PCP and SCP final member cost-sharing percentages. See *Table 10 – Preventive Care Cost-Share Weighting* for the appropriate weights.

The total member cost-sharing percentage is a weighted average of the final member cost-sharing percentages across all MSCs.

2.5.11 Apply Cost-Sharing Offset

Apply the final member cost-sharing percentage from Step 2.5.9 to the trended base claims from Step 2.2.2.

$$\text{Cost-Sharing Adjusted Claims} = [1 - \text{Final Member Cost-Sharing Percentage}] \times [\text{Trended Base Claims}]$$

2.6 Utilization Dampening

2.6.1 Calculate Utilization Dampening

Determine the utilization dampening to apply to each MSC. Values for this calculation are found in *Table 11 – Medical Utilization Dampening*. The preventive care MSC is not subject to utilization dampening.

Calculate utilization dampening for each MSC using the applicable final member cost-sharing percentage calculated in Step 2.5.9 and the appropriate values (A, B and C) from the table.

$$\text{Utilization Dampening} = e^{(A \times \text{Cost-Sharing} + B)} + C$$

2.6.2 Apply Utilization Dampening Factor

Apply the Utilization Dampening from Step 2.6.1 to the Cost-Sharing Adjusted Claims from Step 2.5.11.

$$\text{Utilization Dampening Adjusted Claims} = [\text{Utilization Dampening}] \times [\text{Cost-Sharing Adjusted Claims}]$$

2.7 Area-Specific Trend Relativity

2.7.1 Calculate Area-Specific Trend Relativity

Calculate the trend factor based on area-specific trend for the plan rating area using the methodology found in Step 2.2.1.

Area-specific trend is found in *Table 26 – Medical Trend and Capitation* (with additional summary detail provided in *Table 27 – Medical Trend Summary*).

Divide the area-specific trend factor by the trend factor based on national trend from Step 2.2.1 to find the area-specific trend relativity.

$$\text{Area-Specific Trend Relativity} = \frac{[\text{Area-Specific Trend Factor}]}{[\text{National Trend Factor}]}$$

2.7.2 Apply Area-Specific Trend Relativity

Apply the area-specific trend relativity from Step 2.7.1 to the utilization dampening adjusted claims from Step 2.6.2.

$$\text{Area Trend Adjusted Claims} = [\text{Area-Specific Trend Relativity}] \times [\text{Utilization Dampening Adjusted Claims}]$$

2.8 Base Medical Community Rate

2.8.1 Calculate Medical Community Rate Load

Multiply together all applicable community rate loads from *Table 15 – Community Rate Loads* and the area factor for the plan rating area found in *Table 24 – Medical Area Factors* (with additional summary detail in *Table 25 – Medical Area Factor Summary*) to get the medical community rate load.

2.8.2 Apply Medical Community Rate Load

Apply the medical community rate load from Step 2.8.1 to the area trend adjusted claims from Step 2.7.2.

$$\text{Base Medical Community Rate} = [\text{Medical Community Rate Load}] \times [\text{Area Trend Adjusted Claims}]$$

3 Base Medical Community Rate by Class

3.1 Blending Medical Rates

3.1.1 Calculate Blended Community Rate

For products with IN and OON components, this step blends the IN and OON base medical claim costs to create one overall rate.

Use a point-of-service (POS) load methodology to apply a load (which is based on area, product, and the IN and OON cost-share differential) to IN claims to calculate blended expected IN and OON claims. If a product is capitated, the POS load will only apply to the non-capitated portion of base medical claims.

The POS load calculation proceeds as follows:

1. Calculate the difference in cost-sharing percentages between OON and IN components. These cost-sharing percentages are the total member cost-sharing percentages (for IN and OON, respectively) from Step 2.5.8. The differential cannot be less than zero or greater than one.

$$\text{Cost-Share Differential} = [\text{OON Cost-Sharing Percentage}] - [\text{IN Cost-Sharing Percentage}]$$

2. Find the appropriate coefficients (A, B, and C) in *Table 29 – POS Load Coefficients* (with additional summary detail in *Table 30 – POS Load Coefficients Summary*) and calculate the base POS load.

$$\text{Base POS Load} = A \times [\text{CSDiff}]^2 + B \times [\text{CSDiff}] + C$$

If the base POS load is less than zero or the plan is an indemnity plan, the base POS load is set to zero.

3. Determine the applicable OON savings program for the plan and apply the appropriate factor from *Table 16 – Medical OON Program Savings Factors* to the base POS load. If necessary, interpolate between table values to find the OON savings program factor.

$$\text{POS Load} = [\text{Base POS Load}] \times [\text{OON Savings Program Factor}]$$

4. Apply the POS load to the IN base medical community rate from Step 2.8.2.

$$\text{Blended Community Rate} = [1 + \text{POS Load}] \times [\text{IN Base Medical Community Rate}]$$

3.1.2 Calculate IN and OON Utilization

The expected OON utilization is used in the adjustment for Cigna Care Network tiered benefits. This requires the POS load calculated in Step 3.1.1 and the IN and OON base medical community rates calculated in Step 2.8.2. If the product is capitated, only use the non-capitated portion of the IN base medical community rate. If the calculation yields an IN Utilization greater than 100% or less than 0%, the IN Utilization is set to one and no POS load is applied.

$$\text{IN Utilization} = \frac{[1 + \text{POS Load}] \times [\text{IN Rate}] - [\text{OON Rate}]}{[\text{IN Rate}] - [\text{OON Rate}]}$$

$$\text{OON Utilization} = 1 - \text{IN Utilization}$$

3.2 Lifetime Maximum Adjustment

If the plan features a lifetime maximum, the appropriate adjustment is found in *Table 17 – Lifetime Maximum Adjustment* and will be applied in Step 3.5.

3.3 Industry Load

Calculate the applied industry load.

- Select the appropriate industry load from *Table 18 – Industry Load* based on the Standard Industrial Classification code of the group being priced.
- If applicable, determine the capitation percentage from *Table 26 – Medical Trend and Capitation* (with additional summary detail in *Table 28 – NWK Percent Capitated Summary*).

$$\text{Adjusted Industry Load} = [\text{Industry Load} - 1] \times [1 - \text{Capitation Percentage}]$$

$$\text{Applied Industry Load} = 1 + \text{Adjusted Industry Load}$$

3.4 Demographic Factor

Determine the demographic factor from *Table 19 – Medical Demographic Factors* for the member based on sex, age, and status (i.e. employee, spouse, or child).

To calculate the demographic aging adjustment, multiply the demographic aging trend found in *Table 20 – Demographic Aging Trend* by the number of years between the date the census is evaluated and the midpoint of the policy period, then add one. Multiply the demographic factor by the demographic aging adjustment to calculate the applied demographic factor.

3.5 Calculate Base Medical Community Rate by Class

Calculate the base medical community rate by class by multiplying together the following:

- Blended community rate from Step 3.1.1
- Lifetime maximum adjustment from Step 3.2
- Applied industry load from Step 3.3
- Applied demographic factor from Step 3.4

4 Calculate Claim Costs for Other Benefits

4.1 Riders

4.1.1 Medical Riders

Determine the total claim cost for applicable riders (calculated on a PMPM basis).

Determine base rider claim costs.

- See *Table 23 – Medical Riders* for the methodology and values required to calculate base medical rider claim costs.

Multiply the base rider claim costs by the trend factor, rider load, applied industry load, and applied demographic factor to determine total rider claim costs.

- The trend factor is the area-specific trend factor from Step 2.7.
- The rider load is calculated the same way as the community rate load from Step 2.8.1 using only applicable loads.
- The applied industry load is calculated in Step 3.3.
- The applied demographic factor is calculated in Step 3.4. The infertility riders have their own demographic factors to use in the calculation. These factors may be found in *Table 21 – Infertility Rider Demographic Factors*.

4.1.2 Vision Rider

Determine the vision rider claim cost PMPM, if applicable. See *Appendix F: Vision Riders* for all values required for this calculation.

1. For each applicable category of coverage found in *Table 36 – Vision: Average Costs*, calculate the coverage allowance. If a category is not covered, the coverage allowance is \$0.

$$\text{Coverage Allowance} = \min([\text{Average Cost}], [\text{Allowance Per Plan Design}])$$

2. Multiply the coverage allowance by the frequency factor found in *Table 37 – Vision: Frequency Factors* and the utilization percentage found in *Table 38 – Vision: Service Utilization* to calculate the preliminary claims cost. Sum the preliminary claims costs across all categories of coverage to determine the overall preliminary claims cost.

$$\text{Preliminary Claims Cost} = [\text{Coverage Allowance}] \times [\text{Frequency Factor}] \times [\text{Utilization}]$$

3. Multiply the overall preliminary claims cost by the industry factor, case size adjustment, and trend factor to calculate the vision rider claim cost per employee per year (PEPY). The industry factor, case size adjustment, and annual trend used for the trend factor are found in *Table 39 – Vision: Trend and Adjustments*.

$$\begin{aligned} \text{Vision Rider Claim Cost PEPY} \\ = [\text{Preliminary Claims Cost}] \times [\text{Industry Factor}] \times [\text{Case Size Adj.}] \times [\text{Trend Factor}] \end{aligned}$$

4. Divide the vision rider claim cost PEPY by 12 and by the ratio of members to employees to calculate the vision rider claim cost PMPM.

4.2 Health Management Program Savings

Using the values in *Table 22 – Health Management Program Savings*, calculate the expected claim cost savings for applicable health management programs.

- To calculate expected savings for Your Health First, multiply the decrement in the table by the sum of the blended medical community rate from Step 3.1.1 and the rider claim cost (before demographic and industry factors are applied). Then multiply by the applied industry load from Step 3.3 and the applied demographic factor from Step 3.4.
- To calculate expected savings for Healthy Pregnancies, Healthy Babies and Comprehensive Oncology, trend the PMPM dollar amounts in the table using the area-specific trend factor from Step 2.7, and then multiply by the applied industry load from Step 3.3 and the applied demographic factor from Step 3.4.
- To calculate expected savings for Health Advisor and Personal Health Team, use the PEPM dollar amounts in the table.

4.3 Mental Health/Substance Use Disorders

Determine the MH/SUD claim cost. See *Appendix E: Mental Health/Substance Use Disorders* for rates, trend, and adjustments. Note that the MH/SUD cost calculation uses an MH/SUD-specific trend and that the base claim cost varies within the given range based on plan deductible, copays, and coinsurance.

MH/SUD is ordinarily a capitated product but can be covered as fee-for-service (FFS). If it's covered as FFS, apply the FFS adjustment, otherwise apply only trend to the MH/SUD base claim cost.

$$\text{MH/SUD Claim Cost} = [\text{MH/SUD Base Claim Cost}] \times [1 + \text{Trend}] \times [1 + \text{FFS Adjustment}]$$

4.4 Medicare Coordination of Benefits

Rates for post-65 Medicare-eligible retirees are adjusted to reflect the coordination of benefits (COB) with Medicare.

The Medicare COB adjustment is based on the percentage of Medicare-eligible members in the population being rated, the age, sex, and geographic location of the membership, the coordination of benefits method being applied, the underlying medical product type, and the plan deductible, coinsurance, copay, OOP maximum, and other cost-sharing.

5 Aggregate Medical Claim Costs

Sum the following to calculate the total medical claim cost for the individual:

- The base medical community rate by class from Step 3.5.
- The total rider claim cost from Step 4.1.
- The claim cost savings from health management programs from Step 4.2.
- The MH/SUD claim cost from Step 4.3.

Combine the individual claim costs for the entire census to determine the aggregate medical claim cost (on a PMPM basis):

$$\text{Aggregate Medical Claim Cost} = \frac{\text{Sum of Individual Claim Costs}}{\text{Total Members}}$$

Pharmacy Manual Rating Formulas

Use this section to calculate expected pharmacy claim costs.

The following formulas detail the pharmacy claim cost calculation process. The specific steps are applied to each pharmacy cost category, except as specifically noted. There are no separate provisions made for OON pharmacy benefits. All benefits are assumed to be IN. Claim costs for each individual life are calculated separately and the results are aggregated.

6 Pharmacy Rating Step-by-Step

6.1 Extract the Average Wholesale Price (AWP) per Script

Extract the AWP per script by cost category based on the formulary type (Legacy, Standard, Value, Value + DRT, Performance, Advantage, Advantage + DRT, Advantage 4-tier, Performance 4-tier or Generics Only). The AWP per script assumptions are found in the following table:

- *Table 40 – Retail AWP per Script Assumptions*

6.2 Extract the Annual Script Counts per customer

Extract the annual script counts per member (script count per member per year [PMPY]) by cost category based on the formulary type (Legacy, Standard, Value, Value + DRT, Performance, Advantage, Advantage + DRT, Advantage 4-tier, Performance 4-tier or Generics Only). Pull in script counts for optional cost categories, such as lifestyle drugs, as needed. If an optional cost category has not been selected, set the script count to zero. The script assumptions are on a retail equivalent (i.e. 30-day) basis. The script count assumptions are found in the following tables:

- *Table 41 – Retail Script Count PMPY Assumptions*

6.3 Extract the Channel Distribution Factors for Scripts and Total AWP

Extract the channel distribution factors (portion of scripts and total AWP allocated to each channel (Retail-30, Retail-90 and Home Delivery) by channel based on drug class, retail-90 availability (yes or no), retail-90 network type (broad or limited), retail-90 maintenance program (either voluntary or mandatory with an elected number of 30 day grace fills). The channel distribution assumptions are found in the following tables:

- *Table 42 – Script Channel Distribution Assumptions*
- *Table 43 – AWP Channel Distribution Assumptions*

6.4 Shift Retail Equivalent Scripts to the Appropriate Channel

Multiply the script channel distribution assumptions by the retail equivalent script counts extracted in Step 6.2.

Retail-30 Preventative Generics Script Count PMPY
= Step 6.2 Preventative Generic Script Count PMPY x Step 6.3 Retail-30 Preventative Generic Script Distribution Assumption

Retail-30 Non-Preventative Generics Script Count PMPY
= Step 6.2 Non-Preventative Generic Script Count PMPY x Step 6.3 Retail-30 Non-Preventative Generic Script Distribution Assumption

Retail-30 Preferred Brand Script Count PMPY
= Step 6.2 Preferred Brand Script Count PMPY x Step 6.3 Retail-30 Preferred Brand Script Distribution Assumption

Retail-30 Non-Preferred Brand Script Count PMPY
= Step 6.2 Non-Preferred Brand Script Count PMPY x Step 6.3 Retail-30 Non-Preferred Brand Script Distribution Assumption

Retail-30 Specialty Script Count PMPY
= Step 6.2 Specialty Script Count PMPY x Step 6.3 Retail-30 Specialty Script Distribution Assumption

Repeat these formulas for the Retail-90 and Home Delivery channels.

For the Retail-90 and Home Delivery channels, divide the script count PMPY assumption by 3 to convert from retail-equivalent scripts to channel-specific script counts. For example:

Retail-90 Preventative Generics Script Count PMPY
= Step 6.2 Preventative Generic Script Count PMPY x Step 6.3 Retail-90 Preventative Generic Script Distribution Assumption / 3

6.5 Calculate channel specific AWP per Script Amounts

Multiply the AWP channel distribution assumptions by the total AWP extracted in Step 6.1.

Retail-30 Preventative Generic AWP per Script =
Step 6.2 Preventative Generic Script Count PMPY x
Step 6.1 Preventative Generic AWP per Script x
Step 6.3 Retail-30 Preventative Generic AWP Distribution Assumption /
Step 6.4 Retail-30 Preventative Generic Script Count PMPY

Retail-30 Non-Preventative Generic AWP per Script =
Step 6.2 Non-Preventative Generic Script Count PMPY x
Step 6.1 Non-Preventative Generic AWP per Script x
Step 6.3 Retail-30 Non-Preventative Generic AWP Distribution Assumption /
Step 6.4 Retail-30 Non-Preventative Generic Script Count PMPY

Retail-30 Preferred Brand AWP per Script =
Step 6.2 Preferred Brand Script Count PMPY x
Step 6.1 Preferred Brand AWP per Script x
Step 6.3 Retail-30 Preferred Brand AWP Distribution Assumption /
Step 6.4 Retail-30 Preferred Brand Script Count PMPY

Retail-30 Non-Preferred Brand AWP per Script =
Step 6.2 Non-Preferred Brand Script Count PMPY x
Step 6.1 Non-Preferred Brand AWP per Script x
Step 6.3 Retail-30 Non-Preferred Brand AWP Distribution Assumption /
Step 6.4 Retail-30 Non-Preferred Brand Script Count PMPY

Retail-30 Specialty AWP per Script =
Step 6.2 Specialty Script Count PMPY x
Step 6.1 Specialty AWP per Script x
Step 6.3 Retail-30 Specialty AWP Distribution Assumption /
Step 6.4 Retail-30 Specialty Script Count PMPY

Repeat these formulas for the Retail-90 and Home Delivery Channels.

For the Retail-90 and Home Delivery channels, multiply the AWP per Script assumption by 3 to convert from retail-equivalent AWP per script to channel-specific AWP per script amounts. For example:

Retail-90 Preventative Generic AWP per Script =
Step 6.2 Preventative Generic Script Count PMPY x
Step 6.1 Preventative Generic AWP per Script x
Step 6.3 Retail-90 Preventative Generic AWP Distribution Assumption /
Step 6.4 Retail-90 Preventative Generic Script Count PMPY x 3

6.6 Extract and Apply intra-channel shift assumptions

This section only applies to cases that elect step therapy or other programs that encourage customers to utilize generic drugs in place of therapeutically equivalent brand drugs.

Extract the intra-channel shift factors (portion of non-preferred brand scripts) based on the elected program type(s) (i.e. step-therapy for high cholesterol, mandatory generics, etc.) and sum the individual shift assumptions to calculate an aggregate shift factor. Intra-channel shift assumptions can be found in the following table:

- *Table 44 – Intra-Channel Non-Preferred Brand Shift Assumptions*

Aggregate non-preferred brand shift factor = sum of elected program type shift factors

Multiply the aggregate non-preferred brand shift factor by the number of non-preferred brand scripts for each channel.

Retail-30 non-preferred brand scripts to shift =
Step 6.4 Retail-30 Non-Preferred Brand Script Count PMPY x
Aggregate non-preferred brand shift factor

Retail-90 non-preferred brand scripts to shift =
Step 6.4 Retail-90 Non-Preferred Brand Script Count PMPY x
Aggregate non-preferred brand shift factor

Home Delivery non-preferred brand scripts to shift =
Step 6.4 Home Delivery Non-Preferred Brand Script Count PMPY x
Aggregate non-preferred brand shift factor

Distribute the shifted non-preferred brand scripts to the preventative generic or non-preventative generic drug classes using the Intra-channel Distribution Assumptions. These assumptions can be found in the following table:

- *Table 45 – Intra-Channel Distribution Assumptions*

Multiply the non-preferred brand scripts to shift within each channel by the intra-channel distribution assumptions. Combine the shifted script counts with the post-channel distribution script counts PMPY calculated in Step 6.4.

Retail-30 Final Preventative Generic Scripts PMPY =
Step 6.4 Retail-30 Preventative Generics Script Count PMPY +
Step 6.6 Retail-30 Non-preferred brand scripts to shift x
Step 6.6 Preventative Generic Distribution Assumptions

Retail-30 Final Non-Preventative Generic Scripts PMPY =
Step 6.4 Retail-30 Non-Preventative Generics Script Count PMPY +
Step 6.6 Retail-30 Non-preferred brand scripts to shift x
Step 6.6 Non-Preventative Generic Distribution Assumptions

Retail-30 Final Preferred Brand Scripts PMPY =
Step 6.4 Retail-30 Preventative Generics Script Count PMPY

Retail-30 Final Non- Preferred Brand Scripts PMPY =
Step 6.4 Retail-30 Preventative Generics Script Count PMPY -
Step 6.6 Retail-30 non-preferred brand scripts to shift

Retail-30 Final Specialty Scripts PMPY =
Step 6.4 Retail-30 Specialty Script Count PMPY

6.7 Extract and Apply the Discount

Discounts are applied to the AWP per script calculated in Step 6.5 based either on the retail pharmacy network, funding type/product (HMO, non-HMO, or experience rated) and employer size, or by the pricing option selected. The discount assumptions are found in the following tables:

- *Table 48 – Retail Discounts and Dispensing Fees (National Network)*
- *Table 49 – Retail Discounts and Dispensing Fees (National Network without CVS)*
- *Table 50 – Retail Discounts and Dispensing Fees (National Network without Walgreens)*
- *Table 51 – Retail Discounts and Dispensing Fees (National Network without CVS & Walgreens)*
- *Table 52 – Retail Discounts and Dispensing Fees (Limited 90)*

The discount assumptions vary by channel (retail-30, retail-90 or home delivery) and drug class (generic, brand, or specialty). Discounts also vary by calendar year, so discount assumptions are averaged for policy years that cross multiple calendar years:

Average Discount

$$\begin{aligned} &= (2015 \text{ Calendar Year Discount} \times \% \text{ of Policy Year in 2015}) \\ &+ (2016 \text{ Calendar Year Discount} \times \% \text{ of Policy Year in 2016}) \\ &+ (2017 \text{ Calendar Year Discount} \times \% \text{ of Policy Year in 2017}) \\ &+ (2018 \text{ Calendar Year Discount} \times \% \text{ of Policy Year in 2018}) \end{aligned}$$

Once the discounts are determined, apply them to AWP per script calculated in Step 6.5:

$$\text{Step 6.7 Discounted AWP per Script} = \text{Step 6.5 AWP per Script} \times (1 - \text{Discount})$$

This formula needs to be repeated for each drug class within each channel.

6.8 Calculate and Apply the Cost Trend Factors

The discounted AWP per script calculated in Step 6.7 was developed using assumptions from the base claim period. To establish expected costs for the policy period, the discounted AWP per script must be trended forward from the midpoint of the base claim period to the midpoint of the policy period. Drug-list-specific trends should be used to determine the unit cost trend factor for each drug class.

Unit cost trend assumptions are found in *Table 46 – Pharmacy: Cost Trend*.

- The following dates and values are required:
 - a. The midpoint of the base claim period
 - b. The midpoint of the policy period
 - c. Trend days: days between the midpoint of the base claim period and the midpoint of the policy period. These are the days over which trend must be applied.
- Calculate the actual trend factor to be applied for each year.
 - a. Each one-year period starting from the midpoint of the base claim period has an associated trend value.
 - b. Each of those one-year periods contains some number of trend days. The percentage of trend days that fall into each one-year period is the trend exposure percentage for that one-year period.
 - c. Calculate the actual portion of trend to be applied from each one-year period with:

$$\text{Trend Factor} = [1 + \text{Trend}]^{(\text{Trend Exposure Percentage})}$$

- The total trend factor is the product of all trend factors.

Once the final unit cost trend factor is determined, apply it to the discounted AWP per script calculated in Step 6.7:

$$\begin{aligned} \text{Step 6.8 Trended Discounted Cost per Script} \\ = \text{Step 6.7 Discounted AWP per Script} \times \text{Final Unit Cost Trend Factor} \end{aligned}$$

This formula needs to be repeated for each drug class (generic, brand, specialty) within each channel (retail-30, retail-90, home delivery).

6.9 Calculate and Apply the Utilization Trend Factors

The script counts calculated in Step 6.6 were developed using assumptions from the base claim period. To establish expected costs for the policy period, the script counts must be trended forward from the midpoint of the base claim period to the midpoint of the policy period. Utilization trend assumptions are found in the following table:

- *Table 47 – Pharmacy: Utilization Trend*

Calculate the utilization trend factor by re-running Step 6.8 with the utilization trend factors. Once the final utilization trend factors are determined for generic, brand and specialty scripts, apply them to the script counts calculated in Step 6.6:

$$\text{Step 6.9 Trended Script Count PMPY} = \text{Step 6.6 Script Count PMPY} \times \text{Final Utilization Trend Factor}$$

This formula needs to be repeated for each drug class (generic, brand, specialty) within each channel (retail-30, retail-90, home delivery).

6.10 Calculate Gross Cost per Script

Dispensing fees are added to the trended discounted AWP per script calculated in Step 6.8 based either on the retail pharmacy network, funding type/product (HMO, non-HMO, or experience rated) and employer size, or by the pricing option selected. The dispensing fee assumptions are found in the following tables:

- *Table 48 – Retail Discounts and Dispensing Fees (National Network)*
- *Table 49 – Retail Discounts and Dispensing Fees (National Network without CVS)*
- *Table 50 – Retail Discounts and Dispensing Fees (National Network without Walgreens)*
- *Table 51 – Retail Discounts and Dispensing Fees (National Network without CVS & Walgreens)*
- *Table 52 – Retail Discounts and Dispensing Fees (Limited 90)*

The dispensing fee assumptions vary by channel (retail-30, retail-90 or home delivery) and drug class (generic, brand, or specialty). Dispensing fees may also vary by calendar year, so dispensing fee assumptions are averaged for policy years that cross multiple calendar years:

Average Dispensing Fee

$$\begin{aligned} &= (\text{2015 Calendar Year Dispensing Fee} \times \% \text{ of Policy Year in 2015}) \\ &+ (\text{2016 Calendar Year Dispensing Fee} \times \% \text{ of Policy Year in 2016}) \\ &+ (\text{2017 Calendar Year Dispensing Fee} \times \% \text{ of Policy Year in 2017}) \\ &+ (\text{2018 Calendar Year Dispensing Fee} \times \% \text{ of Policy Year in 2018}) \end{aligned}$$

Sales tax is not included in the gross cost per script calculation because of insignificance, so once the dispensing fees are determined, add them to the trended discounted AWP per script calculated in Step 6.8:

$$\text{Step 6.10 Trended Gross Cost per Script} = \text{Step 6.8 Discounted AWP per Script} + \text{Dispensing Fee per Script}$$

6.11 Calculate Gross Trended PMPM

Calculate the gross trended cost PMPM by multiplying the trended script count by gross trended cost per script and dividing by 12 (since script counts are PMPY):

$$\begin{aligned} \text{Step 6.11 Gross Trended PMP} \\ &= \frac{\text{Step 6.10 Trended Gross Cost per Script} \times \text{Step 6.9 Trended Script Count PMPY}}{12} \end{aligned}$$

6.12 Calculate Gross Area-Adjusted PMPM

The gross trended PMPM is adjusted for cost differences by area. The area factors are found in the following table:

- *Table 53 – Pharmacy: Area Factors*

Extract the area factor based on the site and funding type/product (HMO, non-HMO, experience rated NWK, experience rated non-NWK) being rated and apply it to the gross trended cost PMPM calculated in Step 6.11:

$$\text{Step 6.12 Gross Area-Adjusted PMPM} = \text{Step 6.11 Gross Trended PMPM} \times \text{Pharmacy Area Factor}$$

6.13 Calculate Regular Member Cost Share Using Pharmacy CPD

The pharmacy CPD is composed of the following tables:

- *Table 54 – Pharmacy: CPD (% Preventive)*
- *Table 55 – Pharmacy: CPD (Cost per Script)*
- *Table 56 – Pharmacy: CPD (Scripts PMPY)*

Unless otherwise specified, weighted averages mentioned in Step 6.13 are calculated using the probabilities in the pharmacy CPD.

Begin the member cost share calculation by extracting the copays, coinsurance, deductible, applicable deductible waivers, OOP maximum, and plan maximum for the plan design being rated.

6.13.1 Adjust CPD to Appropriate Rate Level

Scale the cost per script and script counts PMPY for each row and tier of the pharmacy CPD to reflect the expected cost and utilization derived in Steps 6.1 through 6.11:

Step 6.13.1 Scaled Cost per Script = Original CPD Cost per Script × Cost per Script Scalar

Step 6.13.1 Scaled Script Count PMPY = Original CPD Script Count PMPY × Script Count PMPY Scalar

where

Cost per Script Scalar = Step 6.10 ÷ Original CPD Weighted Average Cost per Script

Script Count PMPY Scalar = Step 6.9 ÷ Original CPD Weighted Average Script Count PMPY

6.13.2 Calculate Annual Cost

Determine the annual cost for each row and tier using the scaled pharmacy CPD from Step 6.13.1. In addition, the tiers should be further split into preventive and non-preventive using *Table 54 – Pharmacy: CPD (% Preventive)*:

Step 6.13.2 Preventive Gross Trended PMPY
= Step 6.13.1 Scaled Cost per Script × Step 6.13.1 Scaled Script Count PMPY × % Preventive

Step 6.13.2 Non-Preventive Gross Trended PMPY
= Step 6.13.1 Scaled Cost per Script × Step 6.13.1 Scaled Script Count PMPY × (1 – % Preventive)

If specialty drugs are rated on a 4th tier, all specialty utilization is assumed to be non-preventative.

In addition, calculate the total annual cost for each row as the sum of the preventive and non-preventive gross trended PMPY values:

Step 6.13.2 Total Annual Cost
= Sum(Step 6.13.2 Preventive Gross Trended PMPY, Step 6.13.2 Non-Preventive Gross Trended PMPY)

Finally, calculate the estimated annual cost across all rows and tiers as the weighted average of the Step 6.13.2 Total Annual Cost:

Step 6.13.2 Estimated Annual Cost = Sum(Step 6.13.2 Total Annual Cost × Probability)

6.13.3 Calculate Deductible and Deductible Waiver Impacts

Compare the applicable annual cost for each row to the deductible to see how much of the deductible applies for each row. If the deductible is waived for preventive drugs or certain tiers, do not include those costs in the applicable annual cost for each row:

Step 6.13.3 Deductible Applied = $\text{Min}[\text{Applicable Annual Cost}, \text{Deductible}]$

where

Step 6.13.3 Applicable Annual Cost
= Step 6.13.2 Total Annual Cost – $\text{Sum}(\text{Waived Step 6.13.2 Gross Trended PMPY})$

For plans with a combined deductible, no deductible is assumed. Instead the impact of the combined deductible is calculated using the combined medical and pharmacy CPD.

6.13.4 Calculate Percentage of Cost Remaining after Applying Deductible

Calculate the percentage of total annual cost remaining after applying the deductible for each cell of the CPD:

Step 6.13.4 Percentage of Cost Remaining = $1 - \frac{\text{Step 6.13.3 Deductible Applied}}{\text{Step 6.13.3 Applicable Annual Cost}}$

6.13.5 Calculate the effective value of copays and coinsurance

Define the effective copay as the member cost per script after copays, coinsurance, maximum copays, minimum copays and the cost per script are considered.

For tiers with copays:

Step 6.13.5 effective copay
= $\text{Min}[\text{Copay}, \text{Step 6.13.1 Scaled Cost per Script}]$

For tiers with coinsurance:

Step 6.13.5 effective copay
= $\text{Min}\{\text{Max}[\text{Member Coinsurance} \times \text{Step 6.13.1 Scaled Cost per Script}, \text{minimum copay}], \text{maximum copay}\}$

6.13.6 Adjust Copays for Costs Covered by the Deductible

For each cell of the CPD, multiply the effective value of copays by the portion of costs remaining after the deductible has been applied

Step 6.13.6 Member Copay Value = Step 6.13.4 Percentage of Cost Remaining x Step 6.13.5 Effective Copay

6.13.7 Calculate Annual Member Cost Share

Determine the annual member cost share *for each row* due to copays, coinsurance, and deductible:

Step 6.13.7 Annual Member Cost Share
= Sum(Step 6.13.6 Member Copay Value × Step 6.13.1 Scaled Script Count PMPY)
+ Step 6.13.3 Deductible Applied

6.13.8 Adjust for Out-of-Pocket (OOP) Maximum

Adjust the annual member cost share calculated in Step 6.13.7 for each row to reflect the impact of an OOP maximum, if applicable:

Step 6.13.8 Member Cost Share after OOP Max = Min[OOP Max, Step 6.13.7 Annual Member Cost Share]

For plans with a combined OOP maximum, no OOP maximum is assumed. Instead the impact of the combined OOP maximum is calculated using the combined medical and pharmacy CPD.

6.13.9 Adjust for Plan Maximum

Adjust the member cost share after OOP max calculated in Step 6.13.8 for each row to reflect the impact of a plan maximum, if applicable:

Step 6.13.9 Member Cost Share after OOP Max & Plan Max
= Max[Step 6.13.8 Member Cost Share after OOP Max, Step 6.13.2 Total Annual Cost – Plan Max]

6.13.10 Calculate Regular Member Cost Share

Determine the regular member cost share as the ratio of the estimated annual member cost to the estimated total cost:

Step 6.13.10 Regular Member Cost Share
=
$$\frac{\text{Weighted Average(Step 6.13.9 Member Cost Share after OOP Max \& Plan Max)}}{\text{Step 6.13.2 Estimated Annual Cost}}$$

6.13.11 Calculate Effective Member Cost Share

For plans with a combined deductible and/or combined OOP maximum, the regular member cost share calculated in Step 6.13.10 is used in Step 2.5 to determine the effective member cost share for the pharmacy benefit.

For all other plans, the effective member cost share is set equal to the regular member cost share calculated in Step 6.13.10.

6.14 Calculate Net Pharmacy PMPM

Now that member cost share has been calculated, determine the remaining pharmacy plan cost (or net pharmacy PMPM).

For all standard cost categories apply the effective member cost share from Step 6.13.11:

Step 6.14 Net Pharmacy PMPM
= Step 6.12 Gross Area-Adjusted PMPM × (1 – Step 6.13.11 Effective Member Cost Share)

6.15 Calculate Aggregate Metrics

Sum the net pharmacy PMPM across all channels and drug classes.

All calculations going forward are done on an aggregate basis only, so calculations are no longer split into cost categories.

6.16 Apply the Clinical Program Factor

Calculate the clinical program factor as the sum of the individual clinical programs selected. The applicable factors for various clinical programs are found in the following tables:

- *Table 57 – Pharmacy: Clinical Management Programs*

Apply the clinical program factor to the net pharmacy rate from Step 6.14:

Step 6.16 Clinical-Adjusted Net Pharmacy PMPM
= Step 6.14 Net Pharmacy PMPM × (1 – Clinical Program Factor)

6.17 Apply the Pharmacy Demographic Factor

Extract the pharmacy demographic factor from *Table 58 – Pharmacy: Demographic Factors* based on the age, gender, and status (employee, spouse, or child) of the individual being rated. Unisex factors exist if gender is not a permitted rating variable. Multiply the pharmacy demographic factor by the demographic aging adjustment calculated in Step 3.4 to calculate the adjusted pharmacy demographic factor.

Apply the adjusted pharmacy demographic factor to the clinical-adjusted net pharmacy Step 6.16:

Step 6.17 Clinical/Demo-Adjusted Net Pharmacy PMPM
= Step 6.16 Clinical-Adjusted PMPM × Adjusted Pharmacy Demographic Factor

6.18 Apply the Industry Factor

Extract the industry factor from *Table 59 – Industry Load* and apply it to the clinical- and demographic-adjusted net pharmacy PMPM calculated in Step 6.17:

Step 6.18 Clinical/Demo/Industry-Adjusted Net Pharmacy PMPM
= Step 6.17 Clinical/Demo-Adjusted PMPM × Industry Factor

6.19 Apply Utilization Dampening Factor

Extract the utilization dampening factor from *Table 60 – Pharmacy: Utilization Dampening Factors* based on the average adjusted member cost share calculated in Step 6.13.11. Apply it to the clinical-, demographic-, and industry-adjusted net pharmacy PMPM calculated in Step 6.18 to determine the total benefit pharmacy community rate by class (CRC):

Step 6.19 Total Benefit Pharmacy CRC
= Step 6.18 Clinical/Demo/Industry Net Pharmacy PMPM × Utilization Dampening Factor

6.20 Apply Miscellaneous Pharmacy Adjustments

The following multiplicative adjustments are applied to the total benefit pharmacy CRC calculated in Step 6.19 to arrive at the adjusted total benefit pharmacy CRC:

Step 6.20 Adjusted Total Benefit Pharmacy CRC
 = Step 6.19 Total Benefit Pharmacy CRC
 × (1 + Step 6.20.1 Mail Order Deductible Waiver Adjustment)
 × (1 + Step 6.20.2 Mail Order Specialty Drug 30 Day Limit)
 × (1 + Step 6.20.3 Mandatory Mail Load)

6.20.1 Mail Order Deductible Waiver Adjustment

Plan designs with a deductible that waive that deductible for mail order prescriptions receive a 5% load to estimate the increased cost due to the decreased member cost sharing. All other plan designs do not receive a load.

6.20.2 Mail Order Specialty Drug 30 Day Limit

Limiting specialty drug fills to 30 day supplies reduces waste. Plans that elect this feature receive a 0.4% reduction while plans that choose not to elect this feature receive no adjustment.

6.20.3 Mandatory Mail for Maintenance Drugs Load

When clients require customers to obtain their maintenance medications via Cigna's mail order pharmacy costs increase due to overhead expense costs associated with filling a script at mail. Plans that have mandatory mail receive a 1% load. Plans that incentivize mail order utilization receive a 0.5% load.

6.21 Determine Final Pharmacy CRC and Pharmacy CR

Similar to medical, pharmacy rates receive community rate adjustments, but not all of the community rate adjustments from Step 2.8.1 apply to pharmacy. Only the following factors apply:

- Multiple Offering Load

The multiple offering load applied to the pharmacy rate is the sum of the medical factor from Step 2.8.1 and the additional pharmacy load from *Table 61 – Pharmacy: Multiple Offering Load*, if applicable, based on the site being rated and whether there is more than one product offering being considered.

- Deductible Accumulation Adjustment
- Open Access Load
- Consumerism Adjustment

The product of these adjustments becomes the pharmacy community rate load, which is applied to the adjusted total benefit pharmacy CRC calculated in Step 6.20:

Step 6.21 Final Pharmacy CRC
 = Step 6.20 Adjusted Total Benefit Pharmacy CRC × Pharmacy Community Rate Load

The demographic and industry factors are removed to determine the pharmacy community rate (CR):

$$\text{Step 6.21 Final Pharmacy CR} = \frac{\text{Step 6.21 Final Pharmacy CRC}}{\text{Step 6.17 Demographic Factor} \times \text{Step 6.18 Industry Factor}}$$

6.22 Aggregate Individual Claim Costs

Combine the individual PMPM pharmacy claim costs for the entire census to determine the aggregate pharmacy claim cost PMPM:

$$\text{Step 6.22 Aggregate Pharmacy CRC} = \frac{\text{Sum of Step 6.21 Final Pharmacy CRC for all individuals}}{\text{Sum of the number of individuals}}$$

$$\text{Step 6.22 Aggregate Pharmacy CR} = \frac{\text{Sum of Step 6.21 Final Pharmacy CR for all individuals}}{\text{Sum of the number of individuals}}$$

Final Rate

7 Calculate Final Rate

Use the following to combine medical and pharmacy rates and calculate the final PMPM rate, which may be adjusted for pharmacy indicators. If the pharmacy benefit is carved out, it will not be included in the calculation.

$$\text{Final PMPM Rate} = \frac{[\text{Step 5 Aggregate Medical Claim Cost}] + [\text{Step 6.22 Aggregate Pharmacy CRC}]}{[\text{Applied Loss Ratio}]}$$

Using the demographic assumptions from Step 1, determine the number of members per subscriber and calculate the per employee per month (PEPM) rate:

$$\text{Final PEPM Rate} = [\text{Final PMPM Rate}] \times [\text{Number of Members per Subscriber}]$$

Appendix A: Rating Formula for Medical Products

Blended claims are a weighted average of the group's official experience and the manually rated claims.

The group's official experience is calculated as fee-for-service paid claims, adjusted for large claims and capitation, then multiplied by a trend factor. The claims are then adjusted for any changes in liability. This experience could include Cigna experience on the particular group or a portion of the group or prior carrier experience.

The manually rated claims are calculated according to the formulas and tables filed and approved with the state.

The weights used to blend the claims are based on the credibility of the group. The blended claims may be adjusted for underwriting discretion. A retention charge is then added for administrative expenses (inclusive of network access fees), taxes, commissions, and profit. The premium is then adjusted for the pooling charge where applicable.

Appendix B: Cigna Care Network (CCN) Tiered Benefits

A manual rate will be developed for the underlying plan, consistent with this filing's base methodology and reflecting the tier 1 level of cost-sharing for SCP/PCP office visits.

The rate adjustment will equal $[1 - \text{Savings \%}]$, according to the following formula (and the formula components are defined below):

$$\begin{aligned} \text{Savings \%} &= [1 - \text{OON Percent}] \\ &\times [\text{Benefit Save} \times \text{Percent Non-CCN Dollars} + \text{Benefit Save} \times \text{Percent Non-Tiered Dollars}] \end{aligned}$$

Notes:

- If a client decides to administer the tier 1 benefit to non-tiered physicians, raw benefit save is not multiplied by the percentage of members in the non-tiered group.
- PCP and SCP savings are calculated separately and then combined for a total impact to the manual rate.

Definitions:

- **Benefit Save** - Benefit savings ran through the regular methodology as if the whole group was making the copay or coinsurance change from tier 1 to tier 2 benefits.
- **Percent Non-CCN Dollars** - Percentage of total physician dollars at a market level that represent categories of doctors where we do define CCN vs. non CCN but the doctors did not earn the designation.
- **Percent Non-Tiered Dollars** - Percentage of total physician dollars at a market level that represent categories of doctors where we do not designate CCN vs. non CCN.
- **OON Percent** - Developed for the underlying plan, consistent with this filing's base methodology and reflecting the Tier 1 benefit level. Calculated as OON Utilization in Step 3.1.2.

Appendix C: General Medical Tables

Table 1 – Medical Base Claims

Network	Major Service Categories (dollars PMPM)						
	Inpatient (IP)	Outpatient (OP)	Primary Care Physician (PCP)	Emergency Room (ER)	Specialty Care Physician (SCP)	Other	Preventive Care
Experience-Rated In-Network	119.09	122.93	23.05	34.58	49.94	15.36	17.66
Experience-Rated Out-of-Network	172.68	178.24	33.42	50.14	72.41	22.27	25.60

Table 2 – MSC Weighting by SCC

Sub-Cost Categories	Major Service Categories					
	Inpatient (Hospital)	Outpatient (Hospital)	ER	PCP	SCP	Other
Facility	83.5%	55.0%	100.0%	0.0%	0.0%	100.0%
Professional	16.5%	17.0%	0.0%	90.0%	81.0%	0.0%
Lab	0.0%	6.8%	0.0%	8.0%	3.6%	0.0%
Radiology	0.0%	10.2%	0.0%	2.0%	5.4%	0.0%
Advanced Radiology (ARI)	0.0%	11.0%	0.0%	0.0%	10.0%	0.0%

Table 3 – Preventive Care Child Age Adjustment

Elected Child Age	Portion of Preventive Care Base Claim Cost
≤ 2	0.16
3 to 64	Linearly interpolate between 0.16 at 2 and 1.0 at 65
≥ 65	1.0

Table 4 – National Medical Trend

	2016/2015	2017+/2016
IN Trend	7.25%	7.0%
OON Trend	7.25%	7.0%

Table 5 – National Utilization Rates by MSC

	Major Service Categories						
	IP Per Day	IP Per Admit	OP	ER	PCP	SCP	Other
National Utilization	See Note	0.09	0.12	0.40	1.90	2.10	0.00

Note: To determine utilization for IP Per Day, consult *Table 6* and find the 'Average Days' which correspond to the 'Max Days' per the plan design. Multiply by 0.09 to yield the IP Per Day utilization.

Table 6 – Number of Copays Per Admit Adjustment

Max Days	0	1	2	3	4	5	6	7	8	9
Average Days	0.00	1.00	1.85	2.40	2.75	3.00	3.21	3.39	3.54	3.67
Max Days	10	11	12	13	14	15	16	17	18	19
Average Days	3.79	3.90	3.99	4.08	4.17	4.25	4.32	4.39	4.45	4.51

Table 7 – Medical Effective Deductible Adjustment

		Plan Deductible																		
		0	50	100	150	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000	
Ratio of Family to Individual Deductible	1.00	1.00	0.54	0.55	0.55	0.55	0.57	0.58	0.59	0.61	0.63	0.66	0.69	0.71	0.73	0.75	0.76	0.77	0.79	
	1.25	1.00	0.60	0.61	0.61	0.62	0.63	0.64	0.65	0.67	0.69	0.72	0.74	0.76	0.78	0.80	0.81	0.82	0.83	
	1.50	1.00	0.67	0.67	0.67	0.68	0.69	0.70	0.71	0.73	0.75	0.78	0.80	0.82	0.83	0.85	0.86	0.87	0.87	
	1.75	1.00	0.73	0.73	0.74	0.74	0.75	0.76	0.77	0.79	0.81	0.84	0.86	0.87	0.89	0.90	0.91	0.91	0.92	
	2.00	1.00	0.79	0.79	0.80	0.80	0.81	0.82	0.83	0.85	0.87	0.90	0.91	0.93	0.94	0.95	0.95	0.96	0.96	
	2.25	1.00	0.82	0.83	0.83	0.84	0.85	0.86	0.87	0.89	0.90	0.92	0.94	0.95	0.96	0.97	0.97	0.97	0.98	
	2.50	1.00	0.86	0.86	0.86	0.87	0.88	0.89	0.90	0.91	0.93	0.95	0.96	0.97	0.97	0.98	0.98	0.98	0.99	
	2.75	1.00	0.89	0.89	0.89	0.90	0.91	0.92	0.92	0.94	0.95	0.96	0.97	0.98	0.98	0.99	0.99	0.99	0.99	
	3.00	1.00	0.92	0.92	0.92	0.93	0.94	0.94	0.95	0.96	0.97	0.98	0.98	0.99	0.99	0.99	0.99	0.99	1.00	
	3.25	1.00	0.94	0.94	0.94	0.94	0.95	0.96	0.96	0.97	0.98	0.98	0.99	0.99	0.99	1.00	1.00	1.00	1.00	
	3.50	1.00	0.95	0.95	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	
	3.75	1.00	0.96	0.97	0.97	0.97	0.97	0.98	0.98	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
	4.00	1.00	0.98	0.98	0.98	0.98	0.98	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	

Table 8 – Medical Effective OOP Maximum Adjustment

		Plan OOP Max																	
		0	500	1000	1500	2000	3000	4000	5000	7500	10000	15000	20000	25000	30000	35000	40000	45000	50000
Ratio of Family to Individual OOP Max	1.00	1.00	0.92	0.92	0.92	0.92	0.92	0.92	0.93	0.93	0.94	0.95	0.95	0.96	0.97	0.97	0.98	0.99	0.99
	1.25	1.00	0.93	0.93	0.93	0.93	0.93	0.93	0.94	0.94	0.95	0.95	0.96	0.96	0.97	0.98	0.98	0.99	1.00
	1.50	1.00	0.93	0.93	0.94	0.94	0.94	0.94	0.94	0.94	0.95	0.96	0.96	0.97	0.97	0.98	0.99	0.99	1.00
	1.75	1.00	0.94	0.94	0.94	0.94	0.95	0.95	0.95	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.99	1.00	1.00
	2.00	1.00	0.95	0.95	0.95	0.95	0.95	0.95	0.96	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1.00	1.00
	2.25	1.00	0.96	0.96	0.96	0.96	0.96	0.96	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1.00	1.00	1.00	1.00
	2.50	1.00	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00
	2.75	1.00	0.97	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00
	3.00	1.00	0.98	0.98	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00
	3.25	1.00	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	3.50	1.00	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	3.75	1.00	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	4.00	1.00	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Table 9 – Medical Claims Probability Distribution

Annual Frequency	Total Annual Claims	Inpatient Facility	Inpatient Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	Other	Pharmacy
0.185008531	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0.029830560	\$7.57	\$0.01	\$0.01	\$2.58	\$0.10	\$3.44	\$1.41	\$0.01	\$25.08
0.035720253	\$58.27	\$0.04	\$0.04	\$4.73	\$1.80	\$39.54	\$12.09	\$0.04	\$27.82
0.038443267	\$96.90	\$0.07	\$0.07	\$7.82	\$10.98	\$57.29	\$20.58	\$0.08	\$36.97
0.033240278	\$132.92	\$0.14	\$0.14	\$12.89	\$16.72	\$71.98	\$30.84	\$0.21	\$51.18
0.028888112	\$166.91	\$0.25	\$0.25	\$19.04	\$18.29	\$86.89	\$41.82	\$0.36	\$67.66
0.025661300	\$201.08	\$0.28	\$0.28	\$25.61	\$21.91	\$99.82	\$52.70	\$0.49	\$83.65
0.022711152	\$235.96	\$0.37	\$0.37	\$33.28	\$25.83	\$110.56	\$64.83	\$0.72	\$98.81
0.020650973	\$269.38	\$0.56	\$0.56	\$40.16	\$29.10	\$121.91	\$76.24	\$0.84	\$114.65
0.018830319	\$302.13	\$0.57	\$0.57	\$46.74	\$33.55	\$130.82	\$88.74	\$1.14	\$131.69
0.017145331	\$335.61	\$0.73	\$0.73	\$55.24	\$36.83	\$140.03	\$100.85	\$1.21	\$147.40
0.015886476	\$367.72	\$0.89	\$0.89	\$62.15	\$43.18	\$146.58	\$112.31	\$1.72	\$164.89
0.014643964	\$399.86	\$1.00	\$1.00	\$68.36	\$48.98	\$153.73	\$125.10	\$1.68	\$180.94
0.013820432	\$432.95	\$1.05	\$1.05	\$76.69	\$54.34	\$160.65	\$137.12	\$2.06	\$197.80
0.012849784	\$462.32	\$1.22	\$1.22	\$82.26	\$62.53	\$165.48	\$147.21	\$2.40	\$216.94
0.012090651	\$497.45	\$1.46	\$1.46	\$90.26	\$70.62	\$170.97	\$159.93	\$2.76	\$230.62
0.011376781	\$528.64	\$1.73	\$1.73	\$99.40	\$77.50	\$175.06	\$170.29	\$2.93	\$247.87
0.010764825	\$559.62	\$1.68	\$1.68	\$106.41	\$87.05	\$179.05	\$180.37	\$3.37	\$265.21
0.010134519	\$591.89	\$2.30	\$2.30	\$113.54	\$93.30	\$184.50	\$192.63	\$3.32	\$282.53
0.009713844	\$623.35	\$2.20	\$2.20	\$123.73	\$103.33	\$187.78	\$200.55	\$3.56	\$300.00
0.009450166	\$655.67	\$2.69	\$2.69	\$129.43	\$115.94	\$190.28	\$210.35	\$4.29	\$315.11
0.017269172	\$702.04	\$3.17	\$3.17	\$141.49	\$128.77	\$196.38	\$224.60	\$4.46	\$342.31
0.015935912	\$758.58	\$3.72	\$3.72	\$154.53	\$148.60	\$201.76	\$240.56	\$5.70	\$380.86
0.014699359	\$827.92	\$4.87	\$4.87	\$168.91	\$173.90	\$207.81	\$260.80	\$6.76	\$408.59
0.013431533	\$896.86	\$7.16	\$5.96	\$188.15	\$196.85	\$212.98	\$279.10	\$6.68	\$438.28
0.012583283	\$960.04	\$9.88	\$7.30	\$202.83	\$215.28	\$222.65	\$294.35	\$7.74	\$472.02
0.011606205	\$1,027.36	\$13.11	\$8.87	\$218.13	\$241.54	\$227.40	\$309.25	\$9.06	\$502.60
0.010922417	\$1,093.05	\$16.87	\$10.62	\$237.41	\$261.36	\$232.35	\$325.10	\$9.34	\$534.02
0.010191765	\$1,162.75	\$20.66	\$12.24	\$258.24	\$280.80	\$237.29	\$342.45	\$11.07	\$562.95
0.009534044	\$1,226.96	\$26.12	\$14.66	\$275.35	\$298.74	\$238.22	\$360.93	\$12.94	\$594.97
0.009020771	\$1,294.47	\$31.44	\$16.83	\$298.11	\$318.18	\$243.92	\$372.33	\$13.65	\$628.19
0.038438875	\$1,482.36	\$41.19	\$21.11	\$365.24	\$368.22	\$257.03	\$411.79	\$17.78	\$721.94
0.029536110	\$1,831.67	\$59.21	\$29.14	\$493.13	\$458.91	\$280.28	\$485.04	\$25.96	\$867.82
0.023444438	\$2,175.86	\$62.10	\$29.45	\$643.52	\$553.48	\$302.22	\$550.78	\$34.31	\$1,017.22
0.019101526	\$2,536.27	\$70.15	\$32.13	\$814.11	\$641.53	\$320.12	\$613.82	\$44.42	\$1,154.53
0.016096170	\$2,893.06	\$86.35	\$38.27	\$985.71	\$726.47	\$331.19	\$670.13	\$54.93	\$1,297.07
0.013544928	\$3,288.29	\$95.08	\$40.85	\$1,179.19	\$826.89	\$353.45	\$728.36	\$64.48	\$1,404.91
0.011613702	\$3,634.29	\$109.26	\$45.58	\$1,360.99	\$899.61	\$368.61	\$772.33	\$77.90	\$1,558.96
0.010143929	\$4,017.76	\$126.27	\$51.22	\$1,567.20	\$972.55	\$377.42	\$831.29	\$91.82	\$1,674.70
0.008845927	\$4,423.52	\$160.61	\$63.41	\$1,799.29	\$1,040.81	\$386.76	\$869.24	\$103.38	\$1,782.22
0.007713139	\$4,829.33	\$192.60	\$74.10	\$2,026.89	\$1,101.59	\$394.89	\$916.70	\$122.56	\$1,869.96
0.006958491	\$5,280.51	\$255.99	\$96.05	\$2,218.75	\$1,200.19	\$406.38	\$955.87	\$147.28	\$1,929.60
0.006251459	\$5,647.69	\$327.86	\$120.09	\$2,446.24	\$1,235.24	\$404.33	\$959.59	\$154.35	\$2,061.11
0.005676863	\$6,066.62	\$418.24	\$149.66	\$2,656.94	\$1,248.84	\$409.49	\$1,013.35	\$170.11	\$2,156.35
0.005190127	\$6,537.83	\$540.43	\$189.05	\$2,861.64	\$1,321.11	\$420.27	\$1,006.21	\$199.12	\$2,188.86
0.004710701	\$7,052.96	\$653.11	\$223.50	\$3,080.67	\$1,404.44	\$419.28	\$1,049.57	\$222.40	\$2,188.94
0.004436483	\$7,412.10	\$808.97	\$270.97	\$3,189.02	\$1,418.81	\$413.26	\$1,068.75	\$242.32	\$2,325.18
0.004127698	\$7,863.57	\$939.63	\$308.24	\$3,395.39	\$1,427.15	\$431.10	\$1,093.00	\$269.04	\$2,372.08
0.003749589	\$8,336.69	\$1,095.03	\$351.98	\$3,583.27	\$1,485.38	\$419.42	\$1,125.76	\$275.85	\$2,407.70
0.003506112	\$8,752.07	\$1,207.34	\$380.44	\$3,696.41	\$1,568.24	\$439.17	\$1,153.57	\$306.90	\$2,483.53
0.003235094	\$9,255.71	\$1,355.07	\$418.76	\$3,885.40	\$1,638.66	\$450.30	\$1,179.87	\$327.66	\$2,482.72
0.002993592	\$9,687.94	\$1,504.87	\$456.28	\$4,080.35	\$1,641.20	\$439.07	\$1,216.84	\$349.32	\$2,560.30
0.002891051	\$10,178.12	\$1,689.73	\$502.86	\$4,243.01	\$1,707.90	\$432.88	\$1,217.36	\$384.38	\$2,564.61
0.002706326	\$10,674.65	\$1,963.68	\$573.78	\$4,367.13	\$1,687.33	\$443.63	\$1,236.41	\$402.69	\$2,558.43
0.002512190	\$11,102.33	\$2,153.74	\$618.10	\$4,447.52	\$1,748.32	\$454.39	\$1,267.99	\$412.27	\$2,640.29
0.002394215	\$11,485.61	\$2,132.51	\$601.28	\$4,764.23	\$1,783.81	\$450.01	\$1,300.91	\$452.86	\$2,730.72
0.002211215	\$11,794.25	\$2,331.67	\$646.11	\$4,851.48	\$1,801.56	\$445.24	\$1,261.99	\$456.20	\$2,916.31
0.002078686	\$12,369.21	\$2,519.41	\$686.29	\$4,962.53	\$1,926.43	\$453.21	\$1,329.75	\$491.58	\$2,887.25
0.001991703	\$12,791.28	\$2,558.61	\$685.33	\$5,225.61	\$1,955.32	\$469.19	\$1,386.09	\$511.13	\$2,933.43
0.001879123	\$13,293.49	\$2,780.95	\$732.62	\$5,289.42	\$2,066.05	\$468.41	\$1,428.59	\$527.45	\$2,923.43
0.001711368	\$13,756.33	\$2,896.73	\$750.72	\$5,487.50	\$2,133.45	\$489.77	\$1,437.25	\$560.91	\$2,989.64

Annual Frequency	Total Annual Claims	Inpatient Facility	Inpatient Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	Other	Pharmacy
0.001636211	\$14,033.13	\$2,950.33	\$752.36	\$5,713.21	\$2,087.08	\$488.61	\$1,413.72	\$627.82	\$3,189.01
0.001578745	\$14,618.78	\$3,185.19	\$799.40	\$5,784.83	\$2,144.27	\$508.71	\$1,571.61	\$624.77	\$3,111.10
0.001446310	\$15,096.34	\$3,252.52	\$803.54	\$6,159.78	\$2,171.66	\$500.89	\$1,523.08	\$684.88	\$3,126.27
0.001390569	\$15,436.63	\$3,492.47	\$849.49	\$6,045.56	\$2,260.55	\$493.45	\$1,611.81	\$683.30	\$3,215.23
0.001315161	\$15,925.45	\$3,795.54	\$909.10	\$6,148.20	\$2,259.76	\$489.42	\$1,602.61	\$720.82	\$3,282.76
0.001281691	\$16,313.55	\$3,895.34	\$918.90	\$6,382.98	\$2,389.39	\$495.57	\$1,534.84	\$696.53	\$3,410.64
0.002269183	\$16,831.41	\$4,015.41	\$933.06	\$6,538.52	\$2,454.93	\$513.77	\$1,625.40	\$750.31	\$3,632.58
0.002090010	\$17,697.24	\$4,363.21	\$998.87	\$6,838.93	\$2,495.19	\$531.69	\$1,688.66	\$780.69	\$3,755.11
0.001903057	\$18,315.06	\$4,540.93	\$1,024.31	\$7,107.71	\$2,470.72	\$529.12	\$1,771.68	\$870.58	\$4,118.69
0.001757479	\$18,803.94	\$4,645.09	\$1,032.58	\$7,377.44	\$2,506.32	\$572.44	\$1,775.97	\$894.09	\$4,694.21
0.001614755	\$19,411.85	\$4,861.00	\$1,065.02	\$7,457.45	\$2,674.29	\$555.59	\$1,892.16	\$906.35	\$4,984.92
0.001506787	\$20,485.42	\$5,416.48	\$1,169.77	\$7,748.88	\$2,657.20	\$558.50	\$1,927.57	\$1,007.01	\$4,960.30
0.001290129	\$21,424.56	\$5,371.81	\$1,143.69	\$8,461.77	\$2,813.42	\$585.75	\$1,995.17	\$1,052.96	\$4,985.06
0.001210329	\$21,915.08	\$5,830.49	\$1,223.90	\$8,313.37	\$2,815.50	\$634.01	\$2,052.30	\$1,045.51	\$5,525.86
0.001164124	\$22,687.52	\$6,064.39	\$1,255.24	\$8,762.19	\$2,800.10	\$616.67	\$2,122.87	\$1,066.05	\$5,768.62
0.001117198	\$22,293.77	\$6,190.93	\$1,263.69	\$8,211.77	\$2,841.93	\$604.82	\$2,113.93	\$1,066.71	\$7,112.71
0.007685159	\$26,652.43	\$8,351.72	\$1,681.30	\$9,291.01	\$3,001.25	\$653.85	\$2,373.02	\$1,300.29	\$7,663.47
0.004276099	\$36,206.43	\$13,174.48	\$2,615.95	\$11,590.42	\$3,244.57	\$734.99	\$3,083.99	\$1,762.03	\$8,062.08
0.002726777	\$43,259.68	\$16,936.77	\$3,317.35	\$13,164.04	\$3,416.28	\$854.47	\$3,568.92	\$2,001.86	\$11,022.89
0.001931696	\$50,716.08	\$20,342.68	\$3,930.69	\$15,634.05	\$3,584.04	\$936.20	\$4,028.30	\$2,260.12	\$13,494.78
0.001332664	\$60,450.75	\$25,503.59	\$4,861.80	\$17,985.49	\$3,915.22	\$1,057.18	\$4,491.38	\$2,636.08	\$13,335.13
0.000901826	\$69,737.33	\$29,660.48	\$5,578.82	\$20,652.41	\$3,775.44	\$1,191.36	\$5,837.57	\$3,041.24	\$14,023.18
0.000081839	\$77,036.70	\$32,936.76	\$6,112.87	\$24,483.01	\$3,385.04	\$1,290.99	\$5,280.37	\$3,547.67	\$12,751.73
0.000083188	\$80,303.92	\$34,149.63	\$6,254.31	\$23,868.03	\$4,496.62	\$1,185.87	\$6,771.52	\$3,577.94	\$10,288.09
0.000078482	\$75,101.16	\$34,480.02	\$6,231.88	\$19,936.81	\$3,796.55	\$1,374.59	\$6,634.41	\$2,646.90	\$16,359.52
0.000081086	\$81,128.00	\$37,874.08	\$6,755.83	\$21,899.33	\$3,770.69	\$1,792.18	\$5,730.87	\$3,305.02	\$11,693.02
0.000071864	\$79,416.20	\$33,775.29	\$5,946.29	\$25,228.39	\$4,585.61	\$1,272.57	\$4,990.75	\$3,617.30	\$13,529.67
0.000085383	\$81,189.61	\$37,601.23	\$6,534.07	\$22,342.98	\$3,910.91	\$1,278.38	\$7,005.86	\$2,516.18	\$13,634.98
0.000069919	\$82,207.23	\$38,815.01	\$6,657.93	\$21,189.88	\$5,694.38	\$1,605.67	\$5,549.64	\$2,694.72	\$12,731.27
0.000074216	\$79,475.96	\$34,484.00	\$5,838.97	\$24,641.06	\$3,600.30	\$1,156.60	\$6,018.48	\$3,736.55	\$15,934.13
0.000071017	\$85,117.60	\$37,843.87	\$6,325.78	\$25,535.19	\$3,649.75	\$1,424.24	\$6,715.09	\$3,623.68	\$11,485.69
0.000060728	\$85,936.04	\$38,376.63	\$6,332.93	\$23,508.84	\$4,936.85	\$1,321.09	\$6,195.06	\$5,264.64	\$13,206.59
0.001959896	\$106,253.01	\$48,063.92	\$7,830.59	\$32,005.98	\$4,931.53	\$1,692.13	\$8,125.22	\$3,603.63	\$12,925.79
0.000849379	\$155,656.62	\$71,265.82	\$11,463.33	\$49,992.53	\$5,835.05	\$2,425.04	\$11,008.00	\$3,666.85	\$12,856.96
0.000438303	\$206,510.06	\$93,313.00	\$14,819.81	\$73,526.72	\$5,929.56	\$2,218.92	\$12,162.80	\$4,539.26	\$12,694.37
0.000269858	\$254,518.13	\$113,012.18	\$17,721.95	\$95,993.16	\$7,908.24	\$2,509.67	\$12,973.50	\$4,399.43	\$11,952.46
0.000160980	\$301,647.54	\$148,227.51	\$22,951.70	\$106,298.77	\$6,327.76	\$2,671.38	\$10,574.06	\$4,596.38	\$13,606.96
0.000102008	\$341,266.03	\$166,256.64	\$25,420.14	\$119,076.11	\$9,668.31	\$2,441.74	\$13,662.81	\$4,740.29	\$15,605.89
0.000074185	\$396,420.41	\$206,622.12	\$31,196.14	\$133,721.81	\$7,728.01	\$1,631.05	\$9,437.45	\$6,083.84	\$15,669.71
0.000048087	\$438,150.17	\$229,372.66	\$34,198.09	\$139,166.81	\$9,048.62	\$2,416.98	\$18,994.97	\$4,952.03	\$16,053.55
0.000037359	\$488,996.20	\$277,535.13	\$40,862.48	\$143,736.68	\$7,308.02	\$1,583.89	\$11,701.43	\$6,268.57	\$14,338.69
0.000025878	\$549,204.51	\$325,082.96	\$47,266.87	\$151,114.20	\$5,891.79	\$7,189.46	\$9,247.27	\$3,411.97	\$16,348.85
0.000016437	\$593,844.78	\$387,992.53	\$55,712.21	\$131,713.04	\$7,259.97	\$1,145.05	\$5,925.18	\$4,096.81	\$13,604.87
0.000014147	\$640,417.64	\$373,699.11	\$52,993.32	\$187,381.57	\$16,402.44	\$2,140.22	\$4,557.50	\$3,243.48	\$29,162.35
0.000012359	\$703,777.71	\$434,207.25	\$60,810.00	\$167,601.93	\$25,782.58	\$1,272.10	\$4,518.77	\$9,585.07	\$11,688.68
0.000008344	\$758,851.65	\$444,189.34	\$61,437.13	\$209,813.75	\$30,760.83	\$2,094.58	\$7,380.85	\$3,175.18	\$8,219.06
0.000005897	\$782,953.23	\$512,327.68	\$69,984.31	\$159,029.90	\$30,145.09	\$1,206.08	\$5,268.92	\$4,991.25	\$6,401.10
0.000006870	\$770,486.83	\$505,613.76	\$68,212.84	\$140,659.06	\$16,118.59	\$931.41	\$36,466.15	\$2,485.02	\$10,079.97
0.000005521	\$908,357.74	\$673,603.02	\$89,753.07	\$120,130.33	\$15,184.00	\$2,216.40	\$3,253.77	\$4,217.16	\$7,702.68
0.000004925	\$943,635.19	\$649,930.58	\$85,528.94	\$188,969.89	\$4,636.36	\$2,547.49	\$5,071.15	\$6,950.79	\$14,797.76
0.000005395	\$1,045,398.39	\$768,765.20	\$99,917.76	\$153,143.79	\$8,663.93	\$1,578.21	\$5,592.47	\$7,737.04	\$4,676.80
0.000004705	\$1,136,309.17	\$911,308.71	\$116,981.90	\$89,059.92	\$9,004.40	\$2,460.55	\$3,758.43	\$3,735.25	\$3,954.84
0.000002478	\$1,217,221.75	\$819,290.52	\$103,871.35	\$280,187.77	\$4,786.83	\$626.17	\$4,494.65	\$3,964.44	\$4,612.13
0.000003419	\$1,310,658.50	\$921,860.84	\$115,432.41	\$238,996.44	\$7,010.00	\$1,001.73	\$4,597.39	\$21,759.71	\$30,327.37
0.000002290	\$1,254,346.89	\$818,375.02	\$101,208.82	\$313,899.69	\$4,590.68	\$1,759.33	\$6,945.76	\$7,567.61	\$13,159.97
0.000008218	\$1,566,126.48	\$1,198,880.94	\$146,434.69	\$192,458.73	\$10,311.53	\$927.48	\$6,631.26	\$10,481.85	\$36,074.01
0.000001506	\$2,170,414.30	\$1,868,513.51	\$225,405.09	\$54,754.80	\$8,555.78	\$8,003.86	\$1,850.72	\$3,330.54	\$12,764.39
0.000001067	\$2,839,497.32	\$1,648,717.54	\$196,431.08	\$990,514.17	\$902.73	\$604.15	\$652.39	\$1,675.26	\$191.31

Table 10 – Preventive Care Cost-Share Weighting

Major Service Category	Weighting
PCP	75%
SCP	25%

Table 11 – Medical Utilization Dampening

	IP	OP	PCP Copay	PCP Ded/Coins	ER	SCP Copay	SCP Ded/Coins	Other
A	-2.17	-1.34	-0.68	-0.83	0.00	-0.71	-2.06	-1.78
B	0.12	0.21	0.11	0.37	0.00	0.15	0.57	0.30
Applicable MSC	IP	OP	PCP	PCP	ER	SCP	SCP	Other
C	This factor is equal to $[(\text{Total Cost-Share}) \times (-0.16) + (0.011)]$ and is the same for all MSCs							
	Indemnity (NY/NJ metro)		Indemnity (NJ South)			Indemnity (all other areas)		
A	-0.10		-0.10			-0.32		
B	0.62-0.72		0.74			0.29		
Applicable MSC	These indemnity UD factors apply to the aggregate cost-share							
Note: Utilization dampening has a floor of 0.20. There is a cap of 1.12 on PCP, 1.17 on SCP, and 1.25 on Other.								

Table 12 – Effective Deductible - Collective Adjustment

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1	0	1.000	1.000	1.000	2	5000	1.000	0.977	0.898
1	50	0.635	0.441	0.352	2	5500	1.000	0.983	0.906
1	100	0.630	0.437	0.335	2	6000	1.000	0.990	0.918
1	150	0.633	0.437	0.334	2	6500	1.000	0.990	0.925
1	200	0.633	0.439	0.335	2	6850	1.000	1.000	0.933
1	300	0.635	0.441	0.338	2	7000	1.000	1.000	0.933
1	400	0.639	0.444	0.339	2	7500	1.000	1.000	0.943
1	500	0.644	0.447	0.342	2	8000	1.000	1.000	0.949
1	750	0.657	0.459	0.349	2	8500	1.000	1.000	0.954
1	1000	0.663	0.470	0.358	2	9000	1.000	1.000	0.963
1	1500	0.688	0.489	0.369	2	9500	1.000	1.000	0.968
1	2000	0.708	0.508	0.389	2	10000	1.000	1.000	0.972
1	2250	0.714	0.518	0.396	2	10500	1.000	1.000	0.979
1	2500	0.719	0.528	0.404	2	11000	1.000	1.000	0.983
1	3000	0.731	0.540	0.421	2	11500	1.000	1.000	0.990
1	3500	0.744	0.552	0.431	2	12000	1.000	1.000	0.990
1	4000	0.754	0.565	0.441	2	12500	1.000	1.000	1.000
1	4500	0.762	0.577	0.452	2.25	0	1.000	1.000	1.000
1	5000	0.772	0.588	0.463	2.25	50	1.000	0.890	0.706
1	5500	0.780	0.597	0.474	2.25	100	1.000	0.890	0.719
1	6000	0.787	0.608	0.484	2.25	150	1.000	0.890	0.716
1	6500	0.795	0.616	0.492	2.25	200	1.000	0.890	0.726
1	6850	0.800	0.625	0.502	2.25	300	1.000	0.890	0.730
1	7000	0.807	0.632	0.511	2.25	400	1.000	0.894	0.741
1	7500	0.807	0.632	0.511	2.25	500	1.000	0.904	0.755
1	8000	0.813	0.641	0.519	2.25	750	1.000	0.919	0.781
1	8500	0.818	0.648	0.527	2.25	1000	1.000	0.933	0.803
1	9000	0.824	0.656	0.535	2.25	1500	1.000	0.952	0.838
1	9500	0.828	0.660	0.545	2.25	2000	1.000	0.967	0.866
1	10000	0.829	0.666	0.549	2.25	2250	1.000	0.972	0.878
1	10500	0.833	0.674	0.559	2.25	2500	1.000	0.977	0.890
1	11000	0.838	0.681	0.566	2.25	3000	1.000	0.990	0.905
1	11500	0.843	0.690	0.572	2.25	3500	1.000	0.990	0.917
1	12000	0.846	0.690	0.579	2.25	4000	1.000	1.000	0.936
1	12500	0.851	0.700	0.584	2.25	4500	1.000	1.000	0.946
1	13000	0.854	0.706	0.590	2.25	5000	1.000	1.000	0.953
1	13500	0.857	0.712	0.596	2.25	5500	1.000	1.000	0.963
1	14000	0.861	0.718	0.602	2.25	6000	1.000	1.000	0.971
1	14500	0.864	0.723	0.607	2.25	6500	1.000	1.000	0.977
1	15000	0.867	0.727	0.613	2.25	6850	1.000	1.000	0.983
1	17000	0.879	0.744	0.634	2.25	7000	1.000	1.000	0.983
1	20000	0.896	0.767	0.661	2.25	7500	1.000	1.000	0.990
1.25	0	1.000	1.000	1.000	2.25	8000	1.000	1.000	0.990
1.25	50	0.718	0.515	0.393	2.25	8500	1.000	1.000	1.000
1.25	100	0.729	0.529	0.407	2.25	9000	1.000	1.000	1.000
1.25	150	0.725	0.530	0.408	2.5	0	1.000	1.000	1.000
1.25	200	0.733	0.529	0.403	2.5	50	1.000	0.990	0.784
1.25	300	0.733	0.532	0.401	2.5	100	1.000	0.990	0.784
1.25	400	0.741	0.537	0.403	2.5	150	1.000	0.922	0.782
1.25	500	0.752	0.545	0.427	2.5	200	1.000	0.923	0.792
1.25	750	0.769	0.563	0.442	2.5	300	1.000	0.935	0.800
1.25	1000	0.782	0.579	0.455	2.5	400	1.000	0.944	0.812
1.25	1500	0.805	0.607	0.479	2.5	500	1.000	0.951	0.825
1.25	2000	0.823	0.630	0.501	2.5	750	1.000	0.962	0.850
1.25	2250	0.830	0.641	0.510	2.5	1000	1.000	0.972	0.869
1.25	2500	0.838	0.651	0.520	2.5	1500	1.000	0.986	0.897
1.25	3000	0.851	0.671	0.537	2.5	2000	1.000	1.000	0.922
1.25	3500	0.863	0.690	0.554	2.5	2250	1.000	1.000	0.931
1.25	4000	0.875	0.706	0.570	2.5	2500	1.000	1.000	0.939
1.25	4500	0.881	0.719	0.584	2.5	3000	1.000	1.000	0.955
1.25	5000	0.890	0.732	0.599	2.5	3500	1.000	1.000	0.965
1.25	5500	0.895	0.737	0.604	2.5	4000	1.000	1.000	0.977

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1.25	6000	0.900	0.742	0.609
1.25	6500	0.907	0.762	0.635
1.25	6850	0.913	0.772	0.647
1.25	7000	0.913	0.772	0.647
1.25	7500	0.921	0.781	0.654
1.25	8000	0.924	0.789	0.664
1.25	8500	0.927	0.798	0.676
1.25	9000	0.935	0.805	0.690
1.25	9500	0.938	0.811	0.697
1.25	10000	0.940	0.819	0.706
1.25	10500	0.946	0.825	0.715
1.25	11000	0.949	0.831	0.723
1.25	11500	0.951	0.833	0.731
1.25	12000	0.955	0.839	0.738
1.25	12500	0.957	0.845	0.745
1.25	13000	0.960	0.851	0.752
1.25	13500	0.963	0.856	0.758
1.25	14000	0.965	0.861	0.765
1.25	14500	0.967	0.866	0.771
1.25	15000	0.970	0.871	0.777
1.25	17000	0.978	0.890	0.799
1.25	20000	0.990	0.904	0.828
1.5	0	1.000	1.000	1.000
1.5	50	0.834	0.629	0.489
1.5	100	0.834	0.629	0.489
1.5	150	0.834	0.629	0.489
1.5	200	0.834	0.629	0.489
1.5	300	0.839	0.636	0.491
1.5	400	0.848	0.645	0.496
1.5	500	0.856	0.654	0.503
1.5	750	0.870	0.674	0.521
1.5	1000	0.890	0.690	0.549
1.5	1500	0.896	0.721	0.578
1.5	2000	0.911	0.745	0.603
1.5	2250	0.916	0.755	0.615
1.5	2500	0.921	0.765	0.626
1.5	3000	0.933	0.783	0.643
1.5	3500	0.939	0.800	0.664
1.5	4000	0.950	0.810	0.684
1.5	4500	0.955	0.826	0.701
1.5	5000	0.959	0.834	0.717
1.5	5500	0.965	0.844	0.731
1.5	6000	0.970	0.853	0.744
1.5	6500	0.974	0.863	0.755
1.5	6850	0.977	0.871	0.767
1.5	7000	0.977	0.871	0.767
1.5	7500	0.982	0.880	0.777
1.5	8000	0.990	0.890	0.786
1.5	8500	0.990	0.890	0.797
1.5	9000	0.990	0.897	0.805
1.5	9500	0.990	0.901	0.813
1.5	10000	1.000	0.911	0.822
1.5	10500	1.000	0.914	0.830
1.5	11000	1.000	0.918	0.833
1.5	11500	1.000	0.923	0.842
1.5	12000	1.000	0.929	0.849
1.5	12500	1.000	0.932	0.856
1.5	13000	1.000	0.936	0.863
1.5	13500	1.000	0.941	0.869
1.5	14000	1.000	0.944	0.875
1.5	14500	1.000	0.947	0.881
1.5	15000	1.000	0.951	0.890
1.5	17000	1.000	0.962	0.905
1.5	20000	1.000	0.978	0.927

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
2.5	4500	1.000	1.000	0.990
2.5	5000	1.000	1.000	0.990
2.5	5500	1.000	1.000	1.000
2.75	0	1.000	1.000	1.000
2.75	50	1.000	1.000	0.890
2.75	100	1.000	1.000	0.890
2.75	150	1.000	1.000	0.890
2.75	200	1.000	1.000	0.890
2.75	300	1.000	1.000	0.890
2.75	400	1.000	1.000	0.890
2.75	500	1.000	1.000	0.890
2.75	750	1.000	1.000	0.906
2.75	1000	1.000	1.000	0.923
2.75	1500	1.000	1.000	0.947
2.75	2000	1.000	1.000	0.966
2.75	2250	1.000	1.000	0.972
2.75	2500	1.000	1.000	0.979
2.75	3000	1.000	1.000	0.990
2.75	3500	1.000	1.000	1.000
2.75	4000	1.000	1.000	1.000
2.75	4500	1.000	1.000	1.000
2.75	5000	1.000	1.000	1.000
2.75	5500	1.000	1.000	1.000
3	0	1.000	1.000	1.000
3	50	1.000	1.000	0.910
3	100	1.000	1.000	0.910
3	150	1.000	1.000	0.911
3	200	1.000	1.000	0.912
3	300	1.000	1.000	0.924
3	400	1.000	1.000	0.934
3	500	1.000	1.000	0.942
3	750	1.000	1.000	0.957
3	1000	1.000	1.000	0.969
3	1500	1.000	1.000	0.990
3	2000	1.000	1.000	1.000
3	2250	1.000	1.000	1.000
3	2500	1.000	1.000	1.000
3	3000	1.000	1.000	1.000
3	3500	1.000	1.000	1.000
3	4000	1.000	1.000	1.000
3	4500	1.000	1.000	1.000
3	5000	1.000	1.000	1.000
3	5500	1.000	1.000	1.000
3.25	0	1.000	1.000	1.000
3.25	50	1.000	1.000	0.945
3.25	100	1.000	1.000	0.945
3.25	150	1.000	1.000	0.945
3.25	200	1.000	1.000	0.945
3.25	300	1.000	1.000	0.956
3.25	400	1.000	1.000	0.965
3.25	500	1.000	1.000	0.990
3.25	750	1.000	1.000	1.000
3.25	1000	1.000	1.000	1.000
3.25	1500	1.000	1.000	1.000
3.25	2000	1.000	1.000	1.000
3.25	2250	1.000	1.000	1.000
3.25	2500	1.000	1.000	1.000
3.25	3000	1.000	1.000	1.000
3.25	3500	1.000	1.000	1.000
3.25	4000	1.000	1.000	1.000
3.25	4500	1.000	1.000	1.000
3.25	5000	1.000	1.000	1.000
3.25	5500	1.000	1.000	1.000
3.5	0	1.000	1.000	1.000

Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	Deductible Multiplier	Deductible	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1.75	0	1.000	1.000	1.000	3.5	50	1.000	1.000	1.000
1.75	50	0.927	0.721	0.570	3.5	100	1.000	1.000	1.000
1.75	100	0.927	0.721	0.570	3.5	150	1.000	1.000	1.000
1.75	150	0.927	0.718	0.572	3.5	200	1.000	1.000	1.000
1.75	200	0.926	0.727	0.573	3.5	300	1.000	1.000	1.000
1.75	300	0.934	0.729	0.579	3.5	400	1.000	1.000	1.000
1.75	400	0.940	0.738	0.587	3.5	500	1.000	1.000	1.000
1.75	500	0.945	0.749	0.596	3.5	750	1.000	1.000	1.000
1.75	750	0.953	0.769	0.618	3.5	1000	1.000	1.000	1.000
1.75	1000	0.960	0.786	0.639	3.5	1500	1.000	1.000	1.000
1.75	1500	0.969	0.814	0.673	3.5	2000	1.000	1.000	1.000
1.75	2000	0.978	0.837	0.702	3.5	2250	1.000	1.000	1.000
1.75	2250	0.984	0.847	0.714	3.5	2500	1.000	1.000	1.000
1.75	2500	0.990	0.857	0.727	3.5	3000	1.000	1.000	1.000
1.75	3000	0.990	0.873	0.748	3.5	3500	1.000	1.000	1.000
1.75	3500	1.000	0.890	0.769	3.5	4000	1.000	1.000	1.000
1.75	4000	1.000	0.899	0.786	3.5	4500	1.000	1.000	1.000
1.75	4500	1.000	0.907	0.802	3.5	5000	1.000	1.000	1.000
1.75	5000	1.000	0.912	0.811	3.5	5500	1.000	1.000	1.000
1.75	5500	1.000	0.923	0.824	3.75	0	1.000	1.000	1.000
1.75	6000	1.000	0.931	0.836	3.75	50	1.000	1.000	1.000
1.75	6500	1.000	0.936	0.849	3.75	100	1.000	1.000	1.000
1.75	6850	1.000	0.942	0.858	3.75	150	1.000	1.000	1.000
1.75	7000	1.000	0.942	0.858	3.75	200	1.000	1.000	1.000
1.75	7500	1.000	0.950	0.869	3.75	300	1.000	1.000	1.000
1.75	8000	1.000	0.953	0.878	3.75	400	1.000	1.000	1.000
1.75	8500	1.000	0.958	0.890	3.75	500	1.000	1.000	1.000
1.75	9000	1.000	0.964	0.892	3.75	750	1.000	1.000	1.000
1.75	9500	1.000	0.968	0.898	3.75	1000	1.000	1.000	1.000
1.75	10000	1.000	0.971	0.909	3.75	1500	1.000	1.000	1.000
1.75	10500	1.000	0.976	0.914	3.75	2000	1.000	1.000	1.000
1.75	11000	1.000	0.979	0.919	3.75	2250	1.000	1.000	1.000
1.75	11500	1.000	0.981	0.925	3.75	2500	1.000	1.000	1.000
1.75	12000	1.000	0.984	0.932	3.75	3000	1.000	1.000	1.000
1.75	12500	1.000	0.990	0.936	3.75	3500	1.000	1.000	1.000
1.75	13000	1.000	0.990	0.941	3.75	4000	1.000	1.000	1.000
1.75	13500	1.000	0.990	0.947	3.75	4500	1.000	1.000	1.000
1.75	14000	1.000	0.990	0.951	3.75	5000	1.000	1.000	1.000
1.75	14500	1.000	1.000	0.955	3.75	5500	1.000	1.000	1.000
1.75	15000	1.000	1.000	0.960	4	0	1.000	1.000	1.000
1.75	17000	1.000	1.000	0.975	4	50	1.000	1.000	1.000
1.75	20000	1.000	1.000	1.000	4	100	1.000	1.000	1.000
2	0	1.000	1.000	1.000	4	150	1.000	1.000	1.000
2	50	1.000	0.816	0.690	4	200	1.000	1.000	1.000
2	100	1.000	0.816	0.690	4	300	1.000	1.000	1.000
2	150	1.000	0.815	0.690	4	400	1.000	1.000	1.000
2	200	1.000	0.822	0.690	4	500	1.000	1.000	1.000
2	300	1.000	0.827	0.690	4	750	1.000	1.000	1.000
2	400	1.000	0.836	0.690	4	1000	1.000	1.000	1.000
2	500	1.000	0.846	0.690	4	1500	1.000	1.000	1.000
2	750	1.000	0.865	0.701	4	2000	1.000	1.000	1.000
2	1000	1.000	0.890	0.722	4	2250	1.000	1.000	1.000
2	1500	1.000	0.901	0.758	4	2500	1.000	1.000	1.000
2	2000	1.000	0.921	0.788	4	3000	1.000	1.000	1.000
2	2250	1.000	0.928	0.801	4	3500	1.000	1.000	1.000
2	2500	1.000	0.934	0.813	4	4000	1.000	1.000	1.000
2	3000	1.000	0.947	0.836	4	4500	1.000	1.000	1.000
2	3500	1.000	0.955	0.855	4	5000	1.000	1.000	1.000
2	4000	1.000	0.966	0.873	4	5500	1.000	1.000	1.000
2	4500	1.000	0.972	0.884					

Table 13 – Effective OOP Maximum - Collective Adjustment

OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1	500	0.675	0.498	0.382	2	5500	1.000	0.897	0.780
1	1000	0.675	0.498	0.382	2	6000	1.000	0.899	0.792
1	1500	0.675	0.498	0.382	2	6500	1.000	0.904	0.800
1	2000	0.700	0.520	0.404	2	7000	1.000	0.909	0.802
1	2500	0.725	0.542	0.424	2	8000	1.000	0.914	0.808
1	3000	0.767	0.588	0.444	2	9000	1.000	0.919	0.813
1	4000	0.778	0.609	0.464	2	10000	1.000	0.924	0.818
1	5000	0.784	0.612	0.484	2	11000	1.000	0.929	0.823
1	5500	0.790	0.615	0.504	2	12000	1.000	0.934	0.828
1	6000	0.801	0.623	0.524	2	13000	1.000	0.939	0.833
1	7000	0.811	0.632	0.524	2	14000	1.000	0.944	0.838
1	8000	0.818	0.632	0.524	2	15000	1.000	0.949	0.843
1	9000	0.824	0.632	0.524	2.25	500	1.000	0.880	0.801
1	10000	0.828	0.637	0.527	2.25	1000	1.000	0.880	0.806
1	11000	0.836	0.644	0.537	2.25	1500	1.000	0.880	0.812
1	12000	0.836	0.647	0.541	2.25	2000	1.000	0.888	0.828
1	13000	0.852	0.657	0.553	2.25	2500	1.000	0.892	0.845
1	14000	0.868	0.662	0.564	2.25	3000	1.000	0.895	0.862
1	15000	0.890	0.672	0.572	2.25	4000	1.000	0.898	0.875
1	16000	0.893	0.690	0.581	2.25	5000	1.000	0.903	0.883
1	17000	0.914	0.700	0.595	2.25	5500	1.000	0.908	0.887
1	18000	0.928	0.711	0.601	2.25	6000	1.000	0.913	0.894
1	19000	0.931	0.716	0.608	2.25	6500	1.000	0.918	0.899
1	20000	0.950	0.726	0.616	2.25	7000	1.000	0.923	0.904
1	25000	1.000	0.785	0.649	2.25	8000	1.000	0.928	0.909
1	30000	1.000	0.819	0.690	2.25	9000	1.000	0.933	0.914
1	35000	1.000	0.945	0.875	2.25	10000	1.000	0.938	0.919
1	40000	1.000	0.973	0.905	2.25	11000	1.000	0.943	0.924
1	45000	1.000	1.000	0.931	2.25	12000	1.000	0.948	0.929
1	50000	1.000	1.000	0.962	2.25	13000	1.000	0.953	0.934
1.25	500	0.738	0.565	0.406	2.25	14000	1.000	0.958	0.939
1.25	1000	0.738	0.565	0.406	2.25	15000	1.000	0.963	0.944
1.25	1500	0.738	0.565	0.406	2.5	500	1.000	0.896	0.845
1.25	2000	0.755	0.591	0.427	2.5	1000	1.000	0.896	0.853
1.25	2500	0.772	0.617	0.447	2.5	1500	1.000	0.896	0.861
1.25	3000	0.803	0.660	0.492	2.5	2000	1.000	0.897	0.865
1.25	4000	0.820	0.683	0.523	2.5	2500	1.000	0.897	0.870
1.25	5000	0.833	0.699	0.542	2.5	3000	1.000	1.000	0.878
1.25	5500	0.838	0.702	0.560	2.5	4000	1.000	1.000	0.885
1.25	6000	0.843	0.721	0.561	2.5	5000	1.000	1.000	0.891
1.25	7000	0.851	0.728	0.579	2.5	5500	1.000	1.000	0.893
1.25	8000	0.874	0.740	0.615	2.5	6000	1.000	1.000	0.899
1.25	9000	0.879	0.743	0.628	2.5	6500	1.000	1.000	0.919
1.25	10000	0.899	0.772	0.642	2.5	7000	1.000	1.000	0.939
1.25	11000	0.919	0.790	0.658	2.5	8000	1.000	1.000	0.959
1.25	12000	0.939	0.808	0.674	2.5	9000	1.000	1.000	0.979
1.25	13000	0.959	0.826	0.690	2.5	10000	1.000	1.000	0.999
1.25	14000	0.979	0.844	0.706	2.5	11000	1.000	1.000	1.000
1.25	15000	0.999	0.862	0.723	2.5	12000	1.000	1.000	1.000
1.25	16000	1.000	0.880	0.739	2.5	13000	1.000	1.000	1.000
1.25	17000	1.000	0.900	0.755	2.5	14000	1.000	1.000	1.000
1.25	18000	1.000	0.920	0.771	2.5	15000	1.000	1.000	1.000
1.25	19000	1.000	0.940	0.787	2.75	500	1.000	1.000	0.980
1.25	20000	1.000	0.960	0.804	2.75	1000	1.000	1.000	0.980
1.25	25000	1.000	1.000	0.834	2.75	1500	1.000	1.000	0.980
1.5	500	0.829	0.678	0.500	2.75	2000	1.000	1.000	0.983
1.5	1000	0.839	0.678	0.500	2.75	2500	1.000	1.000	0.986
1.5	1500	0.833	0.678	0.500	2.75	3000	1.000	1.000	0.987
1.5	2000	0.856	0.724	0.500	2.75	4000	1.000	1.000	0.991
1.5	2500	0.855	0.727	0.547	2.75	5000	1.000	1.000	0.994
1.5	3000	0.870	0.758	0.596	2.75	5500	1.000	1.000	0.995
1.5	4000	0.879	0.785	0.624	2.75	6000	1.000	1.000	0.998

OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4	OOP Multiplier	OOP Max.	Avg. Family Size: 2	Avg. Family Size: 3	Avg. Family Size: 4
1.5	5000	0.887	0.800	0.637	2.75	6500	1.000	1.000	1.000
1.5	5500	0.890	0.803	0.650	3	500	1.000	1.000	0.991
1.5	6000	0.896	0.822	0.680	3	1000	1.000	1.000	0.991
1.5	6500	0.906	0.828	0.691	3	1500	1.000	1.000	0.991
1.5	7000	0.916	0.834	0.692	3	2000	1.000	1.000	0.991
1.5	8000	0.926	0.844	0.696	3	2500	1.000	1.000	0.991
1.5	9000	0.936	0.856	0.711	3	3000	1.000	1.000	0.992
1.5	10000	0.946	0.869	0.718	3	4000	1.000	1.000	0.993
1.5	11000	0.956	0.878	0.725	3	5000	1.000	1.000	0.995
1.5	12000	0.966	0.884	0.727	3	5500	1.000	1.000	0.997
1.5	13000	0.976	0.891	0.747	3	6000	1.000	1.000	1.000
1.5	14000	0.986	0.901	0.761	3.5	500	1.000	1.000	0.992
1.5	15000	0.996	0.911	0.770	3.5	1000	1.000	1.000	0.992
1.75	500	1.000	0.772	0.576	3.5	1500	1.000	1.000	0.992
1.75	1000	1.000	0.772	0.581	3.5	2000	1.000	1.000	0.992
1.75	1500	1.000	0.772	0.586	3.5	2500	1.000	1.000	0.992
1.75	2000	1.000	0.791	0.617	3.5	3000	1.000	1.000	0.993
1.75	2500	1.000	0.811	0.648	3.5	4000	1.000	1.000	0.995
1.75	3000	1.000	0.832	0.684	3.5	5000	1.000	1.000	0.997
1.75	4000	1.000	0.851	0.709	3.5	5500	1.000	1.000	0.998
1.75	5000	1.000	0.865	0.730	3.5	6000	1.000	1.000	1.000
1.75	5500	1.000	0.870	0.732	3.75	500	1.000	1.000	0.997
1.75	6000	1.000	0.881	0.750	3.75	1000	1.000	1.000	0.997
1.75	6500	1.000	0.885	0.761	3.75	1500	1.000	1.000	0.997
1.75	7000	1.000	0.892	0.764	3.75	2000	1.000	1.000	0.997
1.75	8000	1.000	0.898	0.777	3.75	2500	1.000	1.000	0.997
1.75	9000	1.000	0.900	0.790	3.75	3000	1.000	1.000	0.997
1.75	10000	1.000	0.905	0.806	3.75	4000	1.000	1.000	0.997
1.75	11000	1.000	0.910	0.811	3.75	5000	1.000	1.000	0.997
1.75	12000	1.000	0.915	0.816	3.75	5500	1.000	1.000	0.997
1.75	13000	1.000	0.920	0.821	3.75	6000	1.000	1.000	1.000
1.75	14000	1.000	0.925	0.826	4	500	1.000	1.000	1.000
1.75	15000	1.000	0.930	0.831	4	1000	1.000	1.000	1.000
2	500	1.000	0.841	0.659	4	1500	1.000	1.000	1.000
2	1000	1.000	0.842	0.664	4	2000	1.000	1.000	1.000
2	1500	1.000	0.844	0.669	4	2500	1.000	1.000	1.000
2	2000	1.000	0.863	0.691	4	3000	1.000	1.000	1.000
2	2500	1.000	0.869	0.713	4	4000	1.000	1.000	1.000
2	3000	1.000	0.880	0.743	4	5000	1.000	1.000	1.000
2	4000	1.000	0.889	0.762	4	5500	1.000	1.000	1.000
2	5000	1.000	0.895	0.775	4	6000	1.000	1.000	1.000

Table 14 – Effective Coinsurance - Collective Adjustment

Plan Coinsurance	Average Family Size		
	2	3	4
0%	1.00	1.00	1.00
10%	0.95	0.96	0.97
20%	0.89	0.91	0.92
30%	0.85	0.88	0.90
40%	0.75	0.80	0.80

Table 15 – Community Rate Loads

Category	Load	Detail
Modular Medical Management	1.023	Basic Medical Management
	0.957 to 0.993	Buy-up Medical Management
Telehealth Adjustment	1.01	
Multiple Offering Load		Offerings
	1.000	1
	1.020	2
	1.025	3
	1.030	4+
	1.025	2 (CA)
	1.050	3 (CA)
	1.055	4+ (CA)
	Does not apply to LocalPlus products in FL and TN	
Deductible Accumulation Adjustment		Accumulation Type (IN and OON)
	0.995	No Cross-Accumulation
	1.000	One-Way Accumulation (out-of-network to in-network)
	1.005	Cross-Accumulation
Gatekeeper Credit	0.99	
CarryOver Deductible Adjustment		Deductible
	1	0
	1.013	250
	1.019	500
	1.023	750
	1.030	1000
Office Surgery	The load is one plus the sum of the following applicable adjustments	
	0.0005	Waive deductible on PCP office surgery
	0.0005	Waive deductible on SCP office surgery
	0.0005	Waive coinsurance on PCP office surgery
	0.0005	Waive coinsurance on SCP office surgery
Consumerism Adjustment	0.985	
Breast Pump Supplies	1.0005	Covered at 100%
	1.0000	Covered at Deductible/Coinsurance
	0.9998	Not Covered
Case-Size Adjustment	0.95	Fewer than 200 subscribers (NY)
	0.95 to 1	Interpolate between .95 and 1 for 200 to 300 subscribers (NY)
	1	Greater than 300 subscribers (NY)
	0.97	Fewer than 200 subscribers (FL)
	0.97 to 1	Interpolate between .97 and 1 for 200 to 300 subscribers (FL)
	1	Greater than 300 subscribers (FL)
Criteria-Based Network Adjustment	0.8550	Minimum
	0.9999	Maximum

Table 15 – Community Rate Loads (Continued)

ER/UC Steerage Adjustment

Using the applicable copay and/or coinsurance per the plan design and the average steerable visit cost below, calculate the average actual visit cost to a member for an ER visit and Urgent Care facility visit. Look up the load on the table based on visit cost differential and the Effective ER deductible from Step 2.4. No load is applied if Urgent Care is subject to the deductible or if the calculated Urgent Care facility visit cost is \$0.

Average Steerable visit cost					
ER	1000				
Urgent Care	160				
		Effective ER Deductible			
Visit Cost Difference	0	500	1000	3000	6000
0	1.0000	0.9995	0.9990	0.9975	0.9970
100	0.9995	0.9989	0.9984	0.9974	0.9970
200	0.9990	0.9984	0.9979	0.9973	0.9970
300	0.9985	0.9980	0.9975	0.9972	0.9970
400	0.9980	0.9976	0.9972	0.9971	0.9970
500	0.9975	0.9973	0.9970	0.9970	0.9970

Medical Specialty Drugs Steerage Adjustment

The following adjustments apply for plan designs where the deductible applies to medical specialty drugs administered in outpatient facilities, the deductible does not apply to medical specialty drugs administered in either (or both of) the home or at a physician's office, and the member coinsurance for those services is greater than 0%.

Deductible	Deductible Waiver by Place of Administration		
	Physician's office	Home	Both Home and Physician's Office
0	1.0000	1.0000	1.0000
1000	0.9997	0.9999	0.9996
2000	0.9994	0.9998	0.9992
3000	0.9991	0.9997	0.9988
4000	0.9988	0.9996	0.9984
5000	0.9985	0.9995	0.9980

Independent Lab Steerage Adjustment

The following adjustments apply for plan designs where the deductible does not apply to independent lab facility services, the deductible does apply to either (or both of) physician's office lab services or outpatient facility lab services, and the member coinsurance for those services is greater than 0%.

Deductible	Deductible Waiver by Place of Service		
	Outpatient Facility	Physician's Office	Both OP Facility and Physician's Office
0	1.0000	1.0000	1.0000
1000	0.9998	0.9998	0.9996
2000	0.9996	0.9996	0.9992
3000	0.9994	0.9994	0.9988
4000	0.9992	0.9992	0.9984
5000	0.9990	0.9990	0.9980

Enhanced Non-Par Claims Adjustment

See Table 31 - Enhanced Non-Par. Claims Adjustment and Table 32 - Enhanced Non-Par. Claims Adjustment Summary for appropriate loads.

Table 16 – Medical OON Program Savings Factors

	Percent	Factor	
		All Other Products	LocalPlus Product
Medicare Stacked	100	0.450	0.355
	110	0.500	0.400
	150	0.590	0.490
	200	0.690	0.600
	250	0.775	0.708
	300	0.860	0.815
Medicare Only	100	0.100	0.077
	110	0.110	0.086
Average Contracted Rate	100	0.600	0.600
Usual & Customary (Percentile)	80 th	1.000	1.000
	90 th	1.100	1.100

Table 17 – Lifetime Maximum Adjustment

Lifetime Max (in dollars)	Factor
≤ 50,000	-2.00%
100,000	-1.50%
150,000	-1.25%
200,000	-1.00%
300,000	-0.83%
400,000	-0.67%
500,000	-0.50%
750,000	-0.40%
1,000,000	-0.25%
2,000,000	-0.10%
3,000,000	-0.05%
4,000,000	-0.02%
5,000,000	-0.01%
> 5,000,000	0.00%

Table 18 – Industry Load

Industry	Minimum	Maximum	Median
Agriculture	0.950	1.100	1.025
Mining	1.000	1.150	1.100
Construction	0.950	1.150	1.050
Manufacturing	0.900	1.100	1.000
Transportation, Communication, & Utilities	0.900	1.100	1.000
Wholesale Trade	0.900	1.000	0.950
Retail Trade	0.950	1.150	1.050
Finance, Insurance and Real Estate	0.900	1.100	1.000
Services	0.900	1.100	1.050
Public Administration	1.000	1.100	1.000

Table 19 – Medical Demographic Factors

Age Band	Male			Female			MT and MN Unisex
	Employee	Spouse	Child	Employee	Spouse	Child	All
00 - 19	0.483	0.483	0.483	0.462	0.462	0.462	0.472
20 - 24	0.385	0.387	0.583	0.833	1.336	0.680	0.640
25 - 29	0.461	0.656	0.721	0.975	1.426	1.569	0.807
30 - 34	0.535	0.651	0.716	1.179	1.401	1.541	0.916
35 - 39	0.632	0.871	0.959	1.165	1.261	1.387	0.943
40 - 44	0.803	0.975	1.072	1.212	1.302	1.432	1.045
45 - 49	0.993	1.298	1.427	1.388	1.496	1.646	1.244
50 - 54	1.340	1.737	1.911	1.574	1.807	1.988	1.548
55 - 59	1.700	2.198	2.418	1.742	2.057	2.263	1.837
60 - 64	2.211	2.963	3.260	2.136	2.543	2.797	2.330
65 - 69	3.658	3.658	4.024	2.926	2.926	3.219	3.292
70+	4.243	4.243	4.668	3.414	3.414	3.756	3.829

Table 20 – Demographic Aging Trend

Trend
0.0075

Table 21 – Infertility Rider Demographic Factors

Age Band	Male	Female	Unisex
00 - 19	0.000	0.000	0.000
20 - 24	0.000	0.600	0.297
25 - 29	0.072	3.432	1.789
30 - 34	0.234	8.046	4.294
35 - 39	0.518	7.278	4.010
40 - 44	0.170	2.635	1.434
45 - 49	0.095	0.530	0.319
50 - 54	0.037	0.043	0.040
55 - 59	0.026	0.018	0.022
60 - 64	0.000	0.009	0.005
65 - 69	0.000	0.000	0.000
70+	0.000	0.000	0.000

Table 22 – Health Management Program Savings

Health Management Program	Savings
Your Health First	-1.64%
Healthy Pregnancies, Healthy Babies	-\$0.36
Comprehensive Oncology	-\$0.20
Personal Health Team – Non-CCF	-\$5.04
Personal Health Team – CCF	-\$2.19
Health-Advisor – CCF	-\$3.94

Table 23 – Medical Riders

Rider	Methodology
Bariatric Surgery	0.7797 for a maximum from \$1 to \$8000 2.4710 for a maximum greater than \$8000 2.8334 for unlimited coverage
Durable Medical Equipment (DME)	1.5962 base PMPM
Durable Medical Equipment OON Buy Up	IN PMPM multiplied by the POS Load
External Prosthetic Appliances (EPA)	0.3204 base PMPM
External Prosthetic Appliances OON Buy Up	IN PMPM multiplied by the POS Load
DME and EPA Combined	1.9166 Base PMPM
DME and EPA Combined OON Buy Up	IN PMPM multiplied by the POS Load
Routine Foot Disorders Buy Up	1.1055 for a maximum less than \$1000 1.3006 for a maximum \$1000 or greater
Routine Foot Disorders OON Buy Up	IN PMPM multiplied by the POS Load
Organ Transplants OON	0.2601 base PMPM
Home Health Care	-1.3526 when annual maximum days are set to zero. Slope of 0.0205 per day. 1.4697 cap on coverage.
Infertility Treatment – Buy Up #1	1.3903 base PMPM
Infertility Treatment – Buy Up #1 OON	IN PMPM multiplied by the POS Load
Infertility Treatment – Buy Up #2	Base Cost PMPM = $5.7393 \times \left[\frac{\text{Max}}{20446.14} \right]^{0.6}$ 11.4786 cap on coverage
Infertility Treatment – Buy Up #2 OON	IN PMPM multiplied by the POS Load
Infertility Only	Difference between the cost of Infertility Treatment Buy Up #2 and Buy Up #1
Infertility Only OON	IN PMPM multiplied by the POS Load
Complex Psych Program Savings	-0.1951 base PMPM
TMJ	0.4032 base PMPM

Rider	Methodology
Narcotics Therapy Program Savings	-0.1951 base PMPM
Alternative Care (Acupuncture, Naturopathy, Massage)	Naturopathy and Acupuncture are available with or without massage at \$300 or \$600 limits. 1.6973 – Without massage, \$300 limit. 2.4776 – Without massage, \$600 limit 1.9574 – With massage, \$300 limit 3.6482 – With massage, \$600 limit
Acupuncture	This doesn't apply if an Alternative Care election is made. 0 – Less than 10 visits 0.5094 – 10 to 11 visits 0.6113 – 12 to 14 visits 0.7259 – 15 to 19 visits 0.9169 – For 20 or more visits.
Preventive Care OON Exclusion	If OON preventive care is not covered: -0.8138 base PMPM
Family Planning Preventive Care Exemption	Apply a factor of 0.96 to the preventive care base rate in Step 2.1.

The following therapies riders use curves based on the number of visits. One slope (PMPM per visit) applies up to some number of visits ("Breakpoint") while another slope applies past that number of visits.

For example, if Speech Therapy is offered with a 30 day limit (with a limit past the breakpoint), then the final cost would be:

$$ST \text{ PMPM} = [1st \text{ Slope}] \times 20 + [2nd \text{ Slope}] \times 10 = 0.00591 \times 20 + 0.00148 \times 10 = 0.133$$

If Cardiac and Pulmonary Rehab is included with these benefits, it does not have a pricing impact.

Therapy	1 st slope	Breakpoint	2 nd slope	Cap
Speech Therapy (ST)	0.00591	20 days	0.00148	0.22169
Outpatient Speech, Hearing, and Occupational Therapy (OSHOT)	0.01182	20 days	0.00296	0.44338
Chiropractic Therapy (Chiro)	0.05912	60 days	0.01576	4.02001
Physical Therapy (PT)	0.11013	20 days	0.02585	3.75370
PT and Occupational Therapy (OT)	0.11604	20 days	0.02733	3.94139
PT and OSHOT	0.12195	20 days	0.02881	4.19709
PT, OSHOT, and Chiro	0.15002	30 days	0.06194	8.21710

The following riders are not standardly offered but are frequently requested. If elected, they are multiplicative adjustments applied to total expected medical and pharmacy claims as calculated in Step 5 and Step6.22. If the coverage is mandated, then the adjustment is already embedded in the rating area factor and does not apply separately.

Short Term Rehab Coverage for Autism	1.001
Short Term Rehab Coverage for Developmental Delays	1.001
Applied Behavioral Analysis Therapy for Autism	1.004
Hearing Aids	1.001
Gender Reassignment	1.0005
Artificial Insemination	1.000
Skilled Nursing	1.000

Appendix D: Medical Tables by Rating Area

The following tables include the rating area product: Open Access Plus (OAP), Network (NWK), LocalPlus (LCP) and Preferred Provider Organization (PPO)/Indemnity.

Table 24 – Medical Area Factors

Area Description	Rating Area	Product	Area Factor
VT, VERMONT	VTNWK1	NWK	0.78
VT, VERMONT	VTOAP1	OAP	0.78
VT, VERMONT	VTPPO1	PPO	0.81

Table 25 – Medical Area Factor Summary

State	Minimum Area Factor	Maximum Area Factor	State	Minimum Area Factor	Maximum Area Factor
AK	1.41	1.41	NC	0.72	0.98
AL	0.50	0.81	ND	0.85	0.85
AR	0.63	0.81	NE	0.94	1.04
AZ	0.52	1.09	NH	0.83	1.00
CA*	0.00	1.17	NJ	0.73	0.86
CO	0.62	0.98	NM	0.67	0.95
CT	0.75	1.11	NV	0.73	0.81
DC	0.65	0.72	NY	0.58	1.07
DE	0.86	0.86	OH	0.69	1.09
FL	0.75	1.25	OK	0.84	0.98
GA	0.67	1.06	OR	0.76	0.92
HI	0.67	0.67	PA	0.75	0.92
IA	0.95	0.95	PR	0.50	0.50
ID	0.84	0.84	RI	0.63	0.73
IL	0.61	1.11	SC	0.71	1.16
IN	0.72	1.13	SD	1.11	1.11
KS	0.68	1.03	TN	0.61	0.95
KY	0.73	1.07	TX	0.71	1.30
LA	0.78	1.02	UT	0.69	0.94
MA	0.61	0.84	VA	0.65	1.05
MD	0.62	0.65	VI	0.44	0.50
ME	0.73	0.83	VT	0.78	0.81
MI	0.74	1.03	WA	0.77	0.91
MN	0.71	0.91	WI	0.87	1.30
MO	0.71	1.04	WV	0.81	1.02
MS	0.67	0.84	WY	1.19	1.19
MT	0.85	0.85			

*The low area factor for certain CA NWK rating areas applies to the FFS portion of the rate, while the capitated portion is calculated separately and added to the total medical rate.

Table 26 – Medical Trend and Capitation

Area Description	Rating Area	Product	% Capitated	In-Network Cost Trend	
				2016/2015	2017+/2016
VT, VERMONT	VTNWK1	NWK	3.82%	7.87%	6.78%
VT, VERMONT	VTOAP1	OAP	-	7.87%	6.78%
VT, VERMONT	VTPPO1	PPO	-	7.87%	6.78%

Table 27 – Medical Trend Summary

State	2016/2015		2017+/2016		State	2016/2015		2017+/2016	
	Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum
AK	8.73%	8.73%	8.37%	8.37%	NC	6.64%	7.45%	6.14%	6.88%
AL	2.05%	6.89%	6.32%	6.80%	ND	8.69%	8.69%	8.40%	8.40%
AR	5.06%	6.11%	5.24%	5.87%	NE	9.21%	9.32%	8.89%	9.00%
AZ	5.93%	7.04%	5.94%	6.59%	NH	6.87%	6.87%	6.75%	6.75%
CA	5.52%	7.67%	5.60%	7.33%	NJ	6.62%	6.86%	5.61%	6.83%
CO	7.03%	7.03%	6.89%	6.89%	NM	7.71%	7.71%	7.44%	7.44%
CT	5.97%	7.94%	7.11%	7.11%	NV	6.75%	6.81%	6.37%	6.42%
DC	7.06%	7.06%	6.85%	6.85%	NY	8.01%	8.14%	7.50%	7.93%
DE	5.72%	5.72%	6.03%	6.03%	OH	5.16%	7.66%	6.18%	7.68%
FL	6.94%	8.24%	6.76%	7.62%	OK	6.97%	6.97%	6.75%	6.75%
GA	6.89%	7.99%	6.17%	7.55%	OR	5.87%	8.73%	6.18%	8.47%
HI	9.30%	9.30%	9.00%	9.00%	PA	4.71%	8.67%	4.09%	8.43%
IA	9.32%	9.32%	9.00%	9.00%	PR	7.25%	7.25%	7.00%	7.00%
ID	8.73%	8.73%	8.47%	8.47%	RI	6.45%	6.45%	7.14%	7.14%
IL	6.07%	9.34%	5.88%	9.04%	SC	6.89%	7.44%	6.80%	7.10%
IN	6.07%	8.65%	5.88%	8.22%	SD	9.32%	9.32%	9.00%	9.00%
KS	7.31%	7.31%	5.97%	17.33%	TN	5.06%	7.39%	5.24%	6.60%
KY	7.30%	9.34%	7.16%	9.04%	TU	6.85%	6.85%	6.72%	6.72%
LA	6.78%	6.78%	6.68%	6.68%	TX	6.86%	7.71%	6.89%	7.71%
MA	6.92%	8.04%	6.69%	7.98%	VA	6.12%	7.56%	6.56%	7.40%
MD	5.94%	5.94%	6.07%	6.07%	VI	8.92%	8.92%	8.61%	8.61%
ME	7.10%	7.10%	7.08%	7.08%	VT	7.87%	7.87%	6.78%	6.78%
MI	7.38%	9.19%	7.68%	8.89%	WA	5.87%	6.12%	6.18%	6.27%
MN	8.69%	8.69%	8.40%	8.40%	WI	8.29%	8.69%	6.39%	8.40%
MO	6.43%	7.31%	5.97%	17.33%	WV	7.66%	7.66%	7.57%	7.57%
MS	5.06%	6.11%	5.24%	6.43%	WY	6.30%	6.30%	3.85%	3.85%
MT	9.40%	9.40%	9.09%	9.09%					
OON and Indemnity trend is 7.25% for 2016/2015 and 7.00% for 2017+/2016 for all rating areas									

Table 28 – NWK Percent Capitated Summary

State	Minimum	Maximum
AL	5.27%	10.31%
AR	4.27%	5.25%
AZ	7.45%	7.45%
CA	0.90%	30.00%
CO	4.70%	4.70%
CT	18.84%	18.84%
DC	8.72%	8.72%
DE	6.18%	6.18%
FL	5.97%	5.97%
GA	5.25%	10.31%
IL	4.21%	5.80%
IN	4.21%	5.80%
KS	6.69%	6.69%
KY	4.21%	5.03%
LA	5.19%	5.19%
MA	4.42%	4.42%
MD	8.72%	8.72%
ME	5.58%	5.58%
MI	5.02%	5.02%
MO	6.69%	6.69%
MS	5.25%	5.25%
NC	1.96%	1.96%
NJ	15.08%	15.08%
NV	0.90%	0.90%
NY	14.03%	14.03%
OH	2.90%	5.03%
OK	7.04%	7.04%
OR	2.43%	2.43%
PA	6.18%	6.68%
RI	4.39%	4.39%
SC	5.91%	10.31%
TN	5.25%	5.25%
TU	6.69%	6.69%
TX	8.15%	11.98%
VA	8.72%	8.72%
VT	3.82%	3.82%
WA	2.43%	4.12%
WI	2.40%	2.40%
WV	2.90%	8.72%

Table 29 – POS Load Coefficients

Area Description	Rating Area	Product	Equation Coefficients		
			A	B	C
VT, VERMONT	VTNWK1	NWK	0.250	-0.240	0.095
VT, VERMONT	VTOAP1	OAP	0.250	-0.240	0.095
VT, VERMONT	VTPPO1	PPO	0.250	-0.240	0.095

Table 30 – POS Load Coefficients Summary

Region/Market	Product	Equation Coefficients		
		A	B	C
Cincinnati (Outlier KY)	OAP/PPO/NWK	0.250	-0.240	0.081
Northeast	OAP/PPO/NWK	0.250	-0.240	0.095
IL/Chicago (Outlier IN)	OAP/PPO/NWK	0.250	-0.240	0.123
Southern NJ	OAP/PPO/NWK	0.250	-0.240	0.256
West	OAP/PPO/NWK	0.450	-0.400	0.129
Memphis (Outlier MS)	OAP/PPO/NWK	0.550	-0.430	0.071
Southeast	OAP/PPO/NWK	0.550	-0.430	0.086
USVI	OAP/PPO/NWK	0.550	-0.430	0.087
South FL	OAP/PPO/NWK	0.550	-0.430	0.118
Texas	OAP/PPO/NWK	0.550	-0.430	0.142
MD/DC (Outlier VA)	OAP/PPO/NWK	0.598	-0.713	0.151
SoCal	OAP/PPO/NWK	0.780	-0.700	0.182
NY/NJ Metro	OAP/PPO/NWK	1.200	-1.010	0.346
Kansas City	LCP	0.250	-0.240	0.095
KS/MA/RI	LCP	1.158	-0.762	0.169
GA/SC	LCP	1.889	-1.190	0.192
TN	LCP	2.021	-1.268	0.184
North TX/Austin	LCP	2.021	-1.268	0.227
NoCal/Denver	LCP	2.047	-1.317	0.238
CO (All Other)	LCP	2.047	-1.317	0.254
Phoenix	LCP	2.113	-1.322	0.237
NV/Tucson Metro	LCP	2.113	-1.322	0.253
North FL	LCP	2.254	-1.413	0.216
South FL	LCP	2.254	-1.413	0.238
South TX	LCP	3.124	-1.964	0.333
San Antonio	LCP	3.124	-1.964	0.349
IL/Chicago (Outlier IN)	LCP	3.703	-2.376	0.441
SoCal	LCP	3.703	-2.384	0.398

Table 31 - Enhanced Non-Par. Claims Adjustment

Area Description	Rating Area	Product	Adjustment
VT, VERMONT	VTNWK1	NWK	0.000
VT, VERMONT	VTOAP1	OAP	0.000
VT, VERMONT	VTPPO1	PPO	0.000

Table 32 - Enhanced Non-Par. Claims Adjustment Summary

State	Minimum	Maximum	State	Minimum	Maximum
AK	0.996	0.996	NC	0.997	0.997
AL	0.964	0.989	ND	1.000	1.000
AR	0.964	0.994	NE	1.000	1.000
AZ	0.970	0.995	NH	0.998	0.998
CA	0.993	0.996	NJ	0.987	0.987
CO	0.970	0.999	NM	0.996	0.996
CT	0.997	0.997	NV	0.956	0.995
DC	0.990	0.990	NY	0.996	0.996
DE	1.000	1.000	OH	0.995	0.998
FL	0.982	0.983	OK	0.993	0.993
GA	0.964	0.989	OR	1.000	1.000
HI	1.000	1.000	PA	0.993	0.993
IA	1.000	1.000	PR	1.000	1.000
ID	1.000	1.000	RI	0.991	0.997
IL	0.966	0.997	SC	0.964	0.992
IN	0.966	0.998	SD	1.000	1.000
KS	0.969	0.995	TN	0.954	1.000
KY	0.993	0.997	UT	0.994	0.994
LA	0.991	0.991	TX	0.959	0.984
MA	0.993	0.999	VA	0.990	0.990
MD	0.990	0.990	VI	1.000	1.000
ME	1.000	1.000	VT	1.000	1.000
MI	0.998	0.998	WA	0.997	1.000
MN	1.000	1.000	WI	0.999	0.999
MO	0.995	0.995	WV	0.990	0.995
MS	0.964	0.985	WY	0.995	0.995
MT	1.000	1.000			

Appendix E: Mental Health/Substance Use Disorders

Table 33 – MH/SUD: Trend and Adjustments

MH/SUD Trend	7.0%
FFS Adjustment (if applicable)	1%

Table 34 – MH/SUD: OAP/PPO Rates

State	Proclaim Cap. Rate		Facets Rate		State	Proclaim Cap. Rate		Facets Rate	
	Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum
AK	\$11.29	\$20.07	\$2.99	\$5.32	MT	\$11.19	\$19.90	\$2.99	\$5.32
AL	\$10.16	\$18.07	\$2.99	\$5.32	NC	\$0.00	\$0.00	\$2.99	\$5.32
AR	\$9.88	\$17.57	\$2.99	\$5.32	ND	\$11.14	\$19.81	\$2.99	\$5.32
AZ	\$10.35	\$18.41	\$2.99	\$5.32	NE	\$11.13	\$19.79	\$2.99	\$5.32
CA	\$0.00	\$0.00	\$2.99	\$5.32	NH	\$12.47	\$22.17	\$2.99	\$5.32
CO	\$11.05	\$19.65	\$2.99	\$5.32	NJ	\$11.23	\$19.97	\$2.99	\$5.32
CT	\$13.19	\$23.46	\$2.99	\$5.32	NM	\$9.69	\$17.24	\$2.99	\$5.32
DC	\$10.79	\$19.20	\$2.99	\$5.32	NV	\$10.42	\$18.53	\$2.99	\$5.32
DE	\$11.30	\$20.10	\$2.99	\$5.32	NY	\$11.90	\$21.17	\$2.99	\$5.32
FL	\$10.15	\$18.05	\$2.99	\$5.32	OH	\$10.58	\$18.83	\$2.99	\$5.32
GA	\$9.73	\$17.30	\$2.99	\$5.32	OK	\$10.10	\$17.97	\$2.99	\$5.32
GU	\$0.00	\$0.00	\$2.99	\$5.32	OR	\$10.90	\$19.39	\$2.99	\$5.32
HI	\$10.02	\$17.82	\$2.99	\$5.32	PA	\$11.00	\$19.56	\$2.99	\$5.32
IA	\$11.02	\$19.61	\$2.99	\$5.32	PR	\$10.67	\$18.97	\$2.99	\$5.32
ID	\$11.02	\$19.60	\$2.99	\$5.32	RI	\$11.63	\$20.69	\$2.99	\$5.32
IL	\$11.12	\$19.78	\$2.99	\$5.32	SC	\$9.59	\$17.06	\$2.99	\$5.32
IN	\$10.19	\$18.12	\$2.99	\$5.32	SD	\$11.04	\$19.63	\$2.99	\$5.32
KS	\$10.84	\$19.28	\$2.99	\$5.32	TN	\$10.31	\$18.33	\$2.99	\$5.32
KY	\$9.79	\$17.41	\$2.99	\$5.32	TX	\$9.81	\$17.45	\$2.99	\$5.32
LA	\$10.12	\$18.00	\$2.99	\$5.32	UT	\$10.58	\$18.82	\$2.99	\$5.32
MA	\$11.93	\$21.22	\$2.99	\$5.32	VA	\$10.46	\$18.60	\$2.99	\$5.32
MD	\$11.08	\$19.71	\$2.99	\$5.32	VI	\$10.26	\$18.24	\$2.99	\$5.32
ME	\$12.57	\$22.36	\$2.99	\$5.32	VT	\$12.36	\$21.99	\$2.99	\$5.32
MI	\$10.92	\$19.43	\$2.99	\$5.32	WA	\$10.60	\$18.86	\$2.99	\$5.32
MN	\$11.13	\$19.79	\$2.99	\$5.32	WI	\$11.13	\$19.79	\$2.99	\$5.32
MO	\$10.46	\$18.60	\$2.99	\$5.32	WV	\$10.03	\$17.85	\$2.99	\$5.32
MS	\$9.99	\$17.76	\$2.99	\$5.32	WY	\$11.24	\$19.98	\$2.99	\$5.32

Note: The rates are identical across all rating areas within the state and range from minimum to maximum depending on deductible, coinsurance, and copays.

Table 35 – MH/SUD: NWK Rates

Rider	Outpatient Copay										
Mental Health	0	5	10	15	20	25	30	35	40	45	50
	\$21.37	\$20.39	\$19.46	\$18.57	\$17.64	\$16.71	\$15.78	\$14.81	\$13.92	\$12.99	\$12.06
Substance Use Disorder	0	5	10	15	20	25	30	35	40	45	50
	\$4.02	\$3.96	\$3.89	\$3.82	\$3.75	\$3.68	\$3.61	\$3.54	\$3.47	\$3.40	\$3.33
Mental Health and Substance Use Disorder	0	5	10	15	20	25	30	35	40	45	50
	\$24.07	\$23.00	\$21.99	\$21.02	\$20.00	\$18.99	\$17.98	\$16.92	\$15.95	\$14.93	\$13.92
Non-Standard	Base Cost										
	\$21.02										

Appendix F: Vision Riders

Table 36 – Vision: Average Costs

State	Exam	Lenses					Frames	Contact Lenses		Materials
		Single Vision	Bifocal	Trifocal	Lenticular	Progressive		Elective	Therapeutic	
National	\$152.29	\$83.99	\$125.40	\$154.14	\$215.00	\$321.29	\$192.01	\$197.93	\$595.80	\$150.00
AK	\$243.68	\$102.89	\$149.74	\$177.63	\$215.00	\$272.01	\$198.24	\$166.20	\$595.80	\$150.00
AL	\$133.76	\$84.88	\$111.94	\$142.85	\$215.00	\$324.26	\$180.36	\$159.53	\$595.80	\$150.00
AR	\$157.65	\$81.23	\$103.48	\$141.30	\$215.00	\$261.43	\$163.34	\$169.10	\$595.80	\$150.00
AZ	\$194.22	\$75.38	\$117.73	\$145.97	\$215.00	\$317.89	\$187.52	\$204.12	\$595.80	\$150.00
CA	\$153.48	\$81.19	\$123.75	\$154.12	\$215.00	\$336.98	\$191.90	\$213.42	\$595.80	\$150.00
CO	\$154.36	\$87.49	\$142.29	\$162.33	\$215.00	\$345.48	\$194.29	\$209.86	\$595.80	\$150.00
CT	\$179.78	\$100.16	\$156.64	\$164.87	\$215.00	\$340.09	\$204.85	\$219.53	\$595.80	\$150.00
DC	\$174.38	\$102.62	\$139.70	\$186.43	\$215.00	\$388.07	\$274.17	\$243.07	\$595.80	\$150.00
DE	\$152.56	\$93.46	\$122.58	\$155.60	\$215.00	\$328.73	\$184.32	\$214.24	\$595.80	\$150.00
FL	\$143.02	\$79.31	\$110.94	\$139.89	\$215.00	\$335.51	\$187.54	\$177.48	\$595.80	\$150.00
GA	\$151.30	\$85.12	\$131.64	\$156.48	\$215.00	\$341.17	\$192.36	\$186.77	\$595.80	\$150.00
HI	\$160.92	\$88.15	\$129.44	\$182.82	\$215.00	\$288.97	\$168.31	\$217.17	\$595.80	\$150.00
IA	\$156.13	\$78.47	\$138.89	\$145.33	\$215.00	\$283.83	\$173.12	\$208.75	\$595.80	\$150.00
ID	\$165.48	\$79.13	\$124.27	\$157.17	\$215.00	\$294.63	\$179.38	\$200.70	\$595.80	\$150.00
IL	\$129.32	\$87.22	\$126.54	\$132.83	\$215.00	\$305.62	\$198.92	\$212.16	\$595.80	\$150.00
IN	\$129.62	\$81.07	\$121.97	\$157.92	\$215.00	\$290.80	\$176.72	\$186.32	\$595.80	\$150.00
KS	\$154.98	\$77.92	\$117.01	\$153.07	\$215.00	\$297.65	\$179.21	\$208.76	\$595.80	\$150.00
KY	\$111.96	\$89.57	\$132.17	\$161.60	\$215.00	\$303.07	\$163.73	\$187.56	\$595.80	\$150.00
LA	\$154.02	\$72.70	\$113.91	\$125.43	\$215.00	\$303.94	\$180.61	\$180.66	\$595.80	\$150.00
MA	\$182.12	\$103.08	\$152.32	\$201.57	\$215.00	\$365.89	\$219.70	\$218.24	\$595.80	\$150.00
MD	\$150.77	\$94.79	\$144.63	\$167.07	\$215.00	\$360.72	\$210.08	\$222.45	\$595.80	\$150.00
ME	\$161.85	\$80.57	\$115.31	\$137.64	\$215.00	\$289.49	\$177.05	\$189.73	\$595.80	\$150.00
MI	\$103.00	\$85.46	\$128.27	\$162.44	\$215.00	\$305.48	\$195.35	\$206.07	\$595.80	\$150.00
MN	\$213.12	\$101.38	\$143.18	\$170.64	\$215.00	\$324.99	\$204.78	\$199.39	\$595.80	\$150.00
MO	\$146.41	\$82.16	\$116.55	\$155.54	\$215.00	\$292.74	\$183.05	\$200.50	\$595.80	\$150.00
MS	\$149.94	\$68.16	\$104.26	\$130.74	\$215.00	\$236.45	\$148.86	\$154.40	\$595.80	\$150.00
MT	\$127.30	\$78.75	\$137.73	\$160.99	\$215.00	\$269.26	\$165.89	\$163.74	\$595.80	\$150.00
NC	\$167.59	\$85.92	\$120.14	\$146.55	\$215.00	\$324.64	\$186.52	\$203.04	\$595.80	\$150.00
ND	\$166.73	\$82.98	\$126.42	\$168.17	\$215.00	\$289.13	\$188.36	\$188.38	\$595.80	\$150.00
NE	\$158.98	\$81.85	\$133.51	\$177.57	\$215.00	\$328.55	\$188.11	\$234.61	\$595.80	\$150.00
NH	\$164.44	\$93.93	\$124.23	\$166.53	\$215.00	\$309.14	\$196.45	\$204.87	\$595.80	\$150.00

NJ	\$164.43	\$86.44	\$133.20	\$171.34	\$215.00	\$327.19	\$207.58	\$211.05	\$595.80	\$150.00
NM	\$160.62	\$72.41	\$122.28	\$137.84	\$215.00	\$285.69	\$185.52	\$179.40	\$595.80	\$150.00
NV	\$164.12	\$82.14	\$124.54	\$161.23	\$215.00	\$322.24	\$195.18	\$200.55	\$595.80	\$150.00
NY	\$154.24	\$91.19	\$134.98	\$170.91	\$215.00	\$351.85	\$222.10	\$215.76	\$595.80	\$150.00
OH	\$125.11	\$86.17	\$126.38	\$159.64	\$215.00	\$287.33	\$182.74	\$190.51	\$595.80	\$150.00
OK	\$140.21	\$69.68	\$122.21	\$138.94	\$215.00	\$276.63	\$168.54	\$188.76	\$595.80	\$150.00
OR	\$189.08	\$96.10	\$132.60	\$163.27	\$215.00	\$323.67	\$197.50	\$193.71	\$595.80	\$150.00
PA	\$116.35	\$81.00	\$117.81	\$153.30	\$215.00	\$282.99	\$187.39	\$197.01	\$595.80	\$150.00
PR	\$65.68	\$78.88	\$82.87	\$137.95	\$215.00	\$191.44	\$129.29	\$176.16	\$595.80	\$150.00
RI	\$178.63	\$98.03	\$131.58	\$170.10	\$215.00	\$312.51	\$182.67	\$194.37	\$595.80	\$150.00
SC	\$152.15	\$88.27	\$118.86	\$150.77	\$215.00	\$321.27	\$176.82	\$169.91	\$595.80	\$150.00
SD	\$141.08	\$80.19	\$128.00	\$147.96	\$215.00	\$286.42	\$181.20	\$174.27	\$595.80	\$150.00
TN	\$139.39	\$84.23	\$120.94	\$148.02	\$215.00	\$296.49	\$182.27	\$189.67	\$595.80	\$150.00
TX	\$151.44	\$79.47	\$124.17	\$153.99	\$215.00	\$348.67	\$193.97	\$190.25	\$595.80	\$150.00
UT	\$152.92	\$74.26	\$107.99	\$128.31	\$215.00	\$296.29	\$168.06	\$197.36	\$595.80	\$150.00
VA	\$168.10	\$90.26	\$138.82	\$167.86	\$215.00	\$330.12	\$216.87	\$225.78	\$595.80	\$150.00
VT	\$148.12	\$85.48	\$133.25	\$134.50	\$215.00	\$283.09	\$175.52	\$179.96	\$595.80	\$150.00
WA	\$216.20	\$96.23	\$143.62	\$174.50	\$215.00	\$328.51	\$204.81	\$192.62	\$595.80	\$150.00
WI	\$134.50	\$79.57	\$124.12	\$140.68	\$215.00	\$291.69	\$180.86	\$193.01	\$595.80	\$150.00
WV	\$113.10	\$71.60	\$122.32	\$139.46	\$215.00	\$252.07	\$162.92	\$173.13	\$595.80	\$150.00
WY	\$129.25	\$80.74	\$127.58	\$156.28	\$215.00	\$282.04	\$166.03	\$181.40	\$595.80	\$150.00

Table 37 – Vision: Frequency Factors

Service	Frequency Factor	
	12 month	24 month
Exam (Exam Only Plans)	1.00	0.70
Exam (Comprehensive Plans)	1.00	0.65
Lenses: Single Vision	1.00	0.70
Lenses: Bifocal	1.00	0.70
Lenses: Trifocal	1.00	0.70
Lenses: Lenticular	1.00	0.70
Lenses: Progressive	1.00	0.70
Frames	1.00	0.65
Contact Lenses: Elective	1.00	0.70
Contact Lenses: Therapeutic	1.00	0.70
Materials	1.00	0.65

Table 38 – Vision: Service Utilization

Service	Utilization
Exam (Exam Only Plans)	32.00%
Exam (Comprehensive Plans)	54.40%
Lenses: Single Vision	16.05%
Lenses: Bifocal	2.88%
Lenses: Trifocal	0.29%
Lenses: Lenticular	0.01%
Lenses: Progressive	10.44%
Frames	35.86%
Contact Lenses: Elective	10.46%
Contact Lenses: Therapeutic	0.01%
Materials	46.32%

Table 39 – Vision: Trend and Adjustments

Industry Factor		Case Size Adjustment		Vision Trend
SIC Code	Factor	Number of Employees	Factor	Annual
0	0.95	Less than 50	1.10	3.00%
1000	1.05	Greater than or equal to 50	1.00	
1500	0.98			
2000	1.05			
4000	1.01			
5000	1.01			
5200	0.93			
6000	1.04			
7000	0.95			
7200	0.95			
7300	1.02			
7500	1.05			
7600	1.00			
7800	1.05			
7900	0.95			
8000	1.03			
8100	1.00			
8200	0.98			
8300	1.00			
8400	1.05			
8600	1.02			
8900	1.00			
9100	0.92			
9999	0.95			

Appendix G: General Pharmacy Tables

Table 40 – Retail AWP per Script Assumptions

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Advantage	All else	87.10	111.55	292.82	408.33
	Antihistamines	0.00	80.58	204.21	0.00
	Contraceptives	0.00	43.55	138.35	38.84
	Fertility	0.00	84.63	572.44	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	246.53	245.06
	PPIs	0.00	189.25	0.00	0.00
	Smoking Cessation	0.00	127.66	312.56	37.31
	Diet Drugs	0.00	44.32	0.00	211.56
	Vitamins	0.00	4.22	7.54	92.20
	Specialty	0.00	505.57	4461.78	4465.78
AdvantageDRT	All else	87.10	111.55	292.82	408.33
	Antihistamines	0.00	80.58	204.21	0.00
	Contraceptives	0.00	43.55	138.35	38.84
	Fertility	0.00	84.63	572.44	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	246.53	245.06
	PPIs	0.00	189.25	0.00	0.00
	Smoking Cessation	0.00	127.66	312.56	37.31
	Diet Drugs	0.00	44.32	0.00	211.56
	Vitamins	0.00	4.22	7.54	92.20
	Specialty	0.00	505.57	4461.78	4465.78
Performance	All else	87.10	111.55	292.82	408.33
	Antihistamines	0.00	80.58	204.21	0.00
	Contraceptives	0.00	43.55	138.35	38.84
	Fertility	0.00	84.63	572.44	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	246.53	245.06
	PPIs	0.00	189.25	0.00	0.00
	Smoking Cessation	0.00	127.66	312.56	37.31
	Diet Drugs	0.00	44.32	0.00	211.56
	Vitamins	0.00	4.22	7.54	92.20
	Specialty	0.00	505.57	4461.78	4465.78

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Performance _4Tier	All else	87.10	111.55	292.82	408.33
	Antihistamines	0.00	80.58	204.21	0.00
	Contraceptives	0.00	43.55	138.35	38.84
	Fertility	0.00	84.63	572.44	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	246.53	245.06
	PPIs	0.00	189.25	0.00	0.00
	Smoking Cessation	0.00	127.66	312.56	37.31
	Diet Drugs	0.00	44.32	0.00	211.56
	Vitamins	0.00	4.22	7.54	92.20
	Specialty	0.00	505.57	4461.78	4465.78
Advantage _4Tier	All else	87.10	111.55	292.82	
	Antihistamines	0.00	80.58	204.21	
	Contraceptives	0.00	43.55	138.35	
	Fertility	0.00	84.63	572.44	
	Lifestyle, drugs w/OTC options	0.00	0.00	246.53	
	PPIs	0.00	189.25	0.00	
	Smoking Cessation	0.00	127.66	312.56	
	Diet Drugs	0.00	44.32	0.00	
	Vitamins	0.00	4.22	7.54	
	Specialty	0.00	505.57	4461.78	
Generics Only	All else	87.10	111.55		
	Antihistamines	0.00	80.58		
	Contraceptives	0.00	43.55		
	Fertility	0.00	84.63		
	PPIs	0.00	189.25		
	Smoking Cessation	0.00	127.66		
	Diet Drugs	0.00	44.32		
	Vitamins	0.00	4.22		
	Specialty	0.00	505.57		
Legacy	All else	87.10	111.55	292.82	408.33
	Antihistamines	0.00	80.58	204.21	0.00
	Contraceptives	0.00	43.55	138.35	38.84
	Fertility	0.00	84.63	572.44	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	246.53	245.06
	PPIs	0.00	189.25	0.00	0.00
	Smoking Cessation	0.00	127.66	312.56	37.31
	Diet Drugs	0.00	44.32	0.00	211.56
	Vitamins	0.00	4.22	7.54	92.20
	Specialty	0.00	505.57	4461.78	4465.78

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Standard	All else	87.10	111.55	292.82	408.33
	Antihistamines	0.00	80.58	204.21	0.00
	Contraceptives	0.00	43.55	138.35	38.84
	Fertility	0.00	84.63	572.44	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	246.53	245.06
	PPIs	0.00	189.25	0.00	0.00
	Smoking Cessation	0.00	127.66	312.56	37.31
	Diet Drugs	0.00	44.32	0.00	211.56
	Vitamins	0.00	4.22	7.54	92.20
	Specialty	0.00	505.57	4461.78	4465.78
Value	All else	87.10	111.55	292.82	408.33
	Antihistamines	0.00	80.58	204.21	0.00
	Contraceptives	0.00	43.55	138.35	38.84
	Fertility	0.00	84.63	572.44	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	246.53	245.06
	PPIs	0.00	189.25	0.00	0.00
	Smoking Cessation	0.00	127.66	312.56	37.31
	Diet Drugs	0.00	44.32	0.00	211.56
	Vitamins	0.00	4.22	7.54	92.20
	Specialty	0.00	505.57	4461.78	4465.78
ValueDRT	All else	87.10	111.55	292.82	408.33
	Antihistamines	0.00	80.58	204.21	0.00
	Contraceptives	0.00	43.55	138.35	38.84
	Fertility	0.00	84.63	572.44	0.00
	Lifestyle, drugs w/OTC options	0.00	0.00	246.53	245.06
	PPIs	0.00	189.25	0.00	0.00
	Smoking Cessation	0.00	127.66	312.56	37.31
	Diet Drugs	0.00	44.32	0.00	211.56
	Vitamins	0.00	4.22	7.54	92.20
	Specialty	0.00	505.57	4461.78	4465.78

Table 41 – Retail Script Count PMPY Assumptions

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Advantage	All else	3.17	5.48	1.46	0.48
	Antihistamines	0.00	0.12	0.02	0.00
	Contraceptives	0.00	0.49	0.10	0.09
	Lifestyle, drugs w/OTC options	0.00	0.00	0.07	0.01
	PPIs	0.00	0.39	0.00	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.07	0.03
AdvantageDRT	All else	3.17	5.48	1.46	0.48
	Antihistamines	0.00	0.12	0.02	0.00
	Contraceptives	0.00	0.49	0.10	0.09
	Lifestyle, drugs w/OTC options	0.00	0.00	0.07	0.01
	PPIs	0.00	0.39	0.00	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.07	0.03
Performance	All else	3.17	5.48	1.46	0.48
	Antihistamines	0.00	0.12	0.02	0.00
	Contraceptives	0.00	0.49	0.10	0.09
	Lifestyle, drugs w/OTC options	0.00	0.00	0.07	0.01
	PPIs	0.00	0.39	0.00	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.07	0.03
Performance_4Tier	All else	3.17	5.48	1.46	0.48
	Antihistamines	0.00	0.12	0.02	0.00
	Contraceptives	0.00	0.49	0.10	0.09
	Lifestyle, drugs w/OTC options	0.00	0.00	0.07	0.01
	PPIs	0.00	0.39	0.00	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.07	0.03

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Advantage _4Tier	All else	3.17	5.48	1.78	
	Antihistamines	0.00	0.12	0.02	
	Contraceptives	0.00	0.49	0.16	
	Lifestyle, drugs w/OTC options	0.00	0.00	0.07	
	PPIs	0.00	0.39	0.00	
	Smoking Cessation	0.00	0.00	0.01	
	Diet Drugs	0.00	0.02	0.00	
	Vitamins	0.00	0.01	0.00	
	Specialty	0.00	0.05	0.09	
Generics Only	All else	3.17	5.48		
	Antihistamines	0.00	0.12		
	Contraceptives	0.00	0.49		
	PPIs	0.00	0.39		
	Diet Drugs	0.00	0.02		
	Vitamins	0.00	0.01		
	Specialty	0.00	0.05		
Legacy	All else	3.17	5.48	1.46	0.48
	Antihistamines	0.00	0.12	0.02	0.00
	Contraceptives	0.00	0.49	0.10	0.09
	Lifestyle, drugs w/OTC options	0.00	0.00	0.07	0.01
	PPIs	0.00	0.39	0.00	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.07	0.03
Standard	All else	3.17	5.48	1.46	0.48
	Antihistamines	0.00	0.12	0.02	0.00
	Contraceptives	0.00	0.49	0.10	0.09
	Lifestyle, drugs w/OTC options	0.00	0.00	0.07	0.01
	PPIs	0.00	0.39	0.00	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.07	0.03

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands
Value	All else	3.17	5.48	1.46	0.48
	Antihistamines	0.00	0.12	0.02	0.00
	Contraceptives	0.00	0.49	0.10	0.09
	Lifestyle, drugs w/OTC options	0.00	0.00	0.07	0.01
	PPIs	0.00	0.39	0.00	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.07	0.03
ValueDRT	All else	3.17	5.48	1.46	0.48
	Antihistamines	0.00	0.12	0.02	0.00
	Contraceptives	0.00	0.49	0.10	0.09
	Lifestyle, drugs w/OTC options	0.00	0.00	0.07	0.01
	PPIs	0.00	0.39	0.00	0.00
	Smoking Cessation	0.00	0.00	0.01	0.00
	Diet Drugs	0.00	0.02	0.00	0.01
	Vitamins	0.00	0.01	0.00	0.00
	Specialty	0.00	0.05	0.07	0.03

Table 42 – Script Channel Distribution Assumptions

			R30				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	67%	67%	77%	77%	17%
		M1	35%	35%	55%	60%	17%
		M2	44%	44%	55%	60%	17%
		M3	53%	53%	55%	60%	17%
		M0	35%	35%	55%	60%	17%
	Narrow	N	75%	75%	80%	80%	17%
		M1	35%	35%	55%	60%	17%
		M2	44%	44%	55%	60%	17%
		M3	53%	53%	55%	60%	17%
		M0	35%	35%	55%	60%	17%
NONE	Broad	N	80%	80%	83%	83%	17%
			R90				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	24%	24%	12%	12%	0%
		M1	46%	46%	24%	22%	0%
		M2	41%	41%	24%	22%	0%
		M3	36%	36%	24%	22%	0%
		M0	46%	46%	24%	22%	0%
	Narrow	N	18%	18%	11%	11%	0%
		M1	46%	46%	24%	22%	0%
		M2	41%	41%	24%	22%	0%
		M3	36%	36%	24%	22%	0%
		M0	46%	46%	24%	22%	0%
			MOD				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	10%	10%	10%	10%	83%
		M1	19%	19%	21%	18%	83%
		M2	15%	15%	21%	18%	83%
		M3	12%	12%	21%	18%	83%
		M0	19%	19%	21%	18%	83%
	Narrow	N	7%	7%	9%	9%	83%
		M1	19%	19%	21%	18%	83%
		M2	15%	15%	21%	18%	83%
		M3	12%	12%	21%	18%	83%
		M0	19%	19%	21%	18%	83%
NONE	Broad	N	20%	20%	17%	17%	83%

Table 43 – AWP Channel Distribution Assumptions

			R30				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	64%	64%	69%	69%	18%
		M1	30%	30%	41%	41%	18%
		M2	38%	38%	41%	41%	18%
		M3	45%	45%	41%	41%	18%
		M0	30%	30%	41%	41%	18%
	Narrow	N	73%	73%	72%	72%	18%
		M1	30%	30%	38%	38%	18%
		M2	38%	38%	38%	38%	18%
		M3	45%	45%	38%	38%	18%
		M0	30%	30%	38%	38%	18%
NONE	Broad	N	82%	82%	78%	78%	18%
			R90				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	27%	27%	19%	19%	0%
		M1	53%	53%	37%	37%	0%
		M2	49%	49%	37%	37%	0%
		M3	44%	44%	37%	37%	0%
		M0	53%	53%	37%	37%	0%
	Narrow	N	21%	21%	17%	17%	0%
		M1	53%	53%	39%	39%	0%
		M2	49%	49%	39%	39%	0%
		M3	44%	44%	39%	39%	0%
		M0	53%	53%	39%	39%	0%
			MOD				
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preferred Brands	Non-Preferred Brands	Specialty
R90	Broad	N	8%	8%	12%	12%	82%
		M1	16%	16%	22%	22%	82%
		M2	13%	13%	22%	22%	82%
		M3	10%	10%	22%	22%	82%
		M0	16%	16%	22%	22%	82%
	Narrow	N	6%	6%	10%	10%	82%
		M1	16%	16%	24%	24%	82%
		M2	13%	13%	24%	24%	82%
		M3	10%	10%	24%	24%	82%
		M0	16%	16%	24%	24%	82%
NONE	Broad	N	18%	18%	22%	22%	82%

Table 44 – Intra-Channel Non-Preferred Brand Shift Assumptions

Type	Program	2016
Generic Requirement	Mandatory Generic	-8.0%
	Dispense as Written	-4.0%
Global Step Therapy	High Cholesterol	-0.8%
	Stomach Acid	-1.0%
	High Blood Pressure	-0.8%
	Overactive Bladder	-0.3%
	Bone Loss	-0.3%
	Sleep Disorders	-0.4%
	Allergy	-0.3%
	Anti Depressants	-0.5%
	Skin Treatment	-1.3%
	Non-Narcotic Pain Relievers	-0.5%
	Hyperactivity Disorder	-0.5%
	Mental Health	-0.6%
	Asthma	-0.4%

Table 45 – Intra-Channel Distribution Assumptions

Type	Program	Preventive Generics	Non-Preventive Generics
Generic Requirement	Mandatory Generic	50%	50%
	Dispense as Written	50%	50%
Global Step Therapy	High Cholesterol	100%	0%
	Stomach Acid	30%	70%
	High Blood Pressure	100%	0%
	Overactive Bladder	30%	70%
	Bone Loss	100%	0%
	Sleep Disorders	30%	70%
	Allergy	30%	70%
	Anti Depressants	30%	70%
	Skin Treatment	30%	70%
	Non-Narcotic Pain Relievers	30%	70%
	Hyperactivity Disorder	30%	70%
	Mental Health	30%	70%
	Asthma	100%	0%

Table 46 – Pharmacy: Cost Trend

Drug List	Generic/Brand/ Specialty	2015/2014	2016/2015	2017+/2016
Legacy	G	7.8%	7.8%	6.7%
	B	14.7%	14.7%	17.0%
	S	12.8%	12.8%	15.4%
Standard	G	8.0%	8.0%	6.9%
	B	11.4%	11.4%	13.0%
	S	12.8%	12.8%	15.4%
Value	G	7.8%	7.8%	6.7%
	B	14.7%	14.7%	17.0%
	S	12.8%	12.8%	15.4%
ValueDRT	G	8.0%	8.0%	6.9%
	B	10.0%	10.0%	11.9%
	S	12.8%	12.8%	15.4%
Advantage	G	7.8%	7.8%	6.7%
	B	14.7%	14.7%	17.0%
	S	12.8%	12.8%	15.4%
AdvantageDRT	G	8.0%	8.0%	6.9%
	B	10.0%	10.0%	11.9%
	S	12.8%	12.8%	15.4%
Performance	G	8.0%	8.0%	6.9%
	B	11.4%	11.4%	13.0%
	S	12.8%	12.8%	15.4%
Performance_4Tier	G	8.0%	8.0%	6.9%
	B	11.4%	11.4%	13.0%
	S	12.8%	12.8%	15.4%
Generics Only	G	8.0%	8.0%	6.9%
	B	11.4%	11.4%	13.0%
	S	12.8%	12.8%	15.4%
Advantage_4Tier	G	8.0%	8.0%	6.9%
	B	11.4%	11.4%	13.0%
	S	12.8%	12.8%	15.4%

Table 47 – Pharmacy: Utilization Trend

Drug List	Generic/Brand/ Specialty	2015/2014	2016/2015	2017+/2016
Legacy	G	3.5%	3.5%	2.8%
	B	-6.2%	-6.2%	-4.5%
	S	5.5%	5.5%	5.5%
Standard	G	3.6%	3.6%	3.0%
	B	-6.7%	-6.7%	-5.5%
	S	5.5%	5.5%	5.5%
Value	G	3.5%	3.5%	2.8%
	B	-6.2%	-6.2%	-4.5%
	S	5.5%	5.5%	5.5%
ValueDRT	G	4.0%	4.0%	3.1%
	B	-8.4%	-8.4%	-5.7%
	S	5.5%	5.5%	5.5%
Advantage	G	3.5%	3.5%	2.8%
	B	-6.2%	-6.2%	-4.5%
	S	5.5%	5.5%	5.5%
AdvantageDRT	G	4.0%	4.0%	3.1%
	B	-8.4%	-8.4%	-5.7%
	S	5.5%	5.5%	5.5%
Performance	G	3.6%	3.6%	3.0%
	B	-6.7%	-6.7%	-5.5%
	S	5.5%	5.5%	5.5%
Performance_4Tier	G	3.6%	3.6%	3.0%
	B	-6.7%	-6.7%	-5.5%
	S	5.5%	5.5%	5.5%
Generics Only	G	3.6%	3.6%	3.0%
	B	-6.7%	-6.7%	-5.5%
	S	5.5%	5.5%	5.5%
Advantage_4Tier	G	3.6%	3.6%	3.0%
	B	-6.7%	-6.7%	-5.5%
	S	5.5%	5.5%	5.5%

Table 48 – Retail Discounts and Dispensing Fees (National Network)

Calendar Year	Funding Type/Product	Employer Size	Retail 30					Retail 90					Home Delivery				
			Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee
2015 & 2016	EXRNon-ASO	0	72.00%	14.00%	13.50%	1.30	1.30	72.00%	17.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	EXRNon-ASO	1501	72.00%	14.00%	13.50%	1.30	1.30	72.00%	17.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	FACETS_1	All	65.50%	11.00%	11.00%	1.50	1.50	65.50%	14.00%	11.00%	1.50	1.50	67.50%	17.00%	12.00%	-	-
	FACETS_10	All	72.00%	14.00%	13.50%	1.30	1.30	72.00%	17.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	FACETS_2	All	65.50%	11.59%	11.59%	1.50	1.50	65.50%	14.67%	11.59%	1.50	1.50	67.50%	17.08%	12.10%	-	-
	FACETS_3	All	65.50%	12.08%	12.08%	1.50	1.50	65.50%	15.09%	12.08%	1.50	1.50	67.50%	17.08%	12.10%	-	-
	FACETS_4	All	65.50%	12.27%	12.27%	1.50	1.50	65.50%	15.35%	12.27%	1.50	1.50	67.50%	17.96%	12.10%	-	-
	FACETS_5	All	76.00%	13.90%	14.00%	1.50	1.50	76.00%	13.90%	14.00%	1.50	1.50	81.00%	20.00%	13.50%	-	-
	FACETS_7	All	66.50%	11.00%	11.00%	1.50	1.50	66.50%	14.00%	11.00%	1.50	1.50	74.50%	17.00%	12.00%	-	-
	FACETS_8	All	68.50%	12.00%	12.00%	1.50	1.50	68.50%	15.00%	12.00%	1.50	1.50	74.50%	18.00%	12.00%	-	-
	FACETS_9	All	68.50%	13.00%	13.00%	1.50	1.50	68.50%	16.00%	13.00%	1.50	1.50	74.50%	19.00%	12.00%	-	-
	GC Non-CHMO	All	65.00%	16.00%	13.50%	1.40	1.40	65.00%	16.00%	13.50%	1.40	1.40	67.50%	16.00%	12.00%	1.50	1.50
FACETS_36	All	74.00%	14.00%	13.50%	1.30	1.30	74.00%	17.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-	
2017 & 2018	EXRNon-ASO	0	72.00%	14.00%	13.50%	1.30	1.30	72.00%	17.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	EXRNon-ASO	1501	72.00%	14.00%	13.50%	1.30	1.30	72.00%	17.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	FACETS_1	All	67.50%	11.00%	11.00%	1.50	1.50	67.50%	14.00%	11.00%	1.50	1.50	67.50%	17.00%	12.00%	-	-
	FACETS_10	All	72.00%	14.00%	13.50%	1.30	1.30	72.00%	17.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	FACETS_2	All	65.50%	11.59%	11.59%	1.50	1.50	65.50%	14.67%	11.59%	1.50	1.50	67.50%	17.08%	12.10%	-	-
	FACETS_3	All	65.50%	12.08%	12.08%	1.50	1.50	65.50%	15.09%	12.08%	1.50	1.50	67.50%	17.08%	12.10%	-	-
	FACETS_4	All	65.50%	12.27%	12.27%	1.50	1.50	65.50%	15.35%	12.27%	1.50	1.50	67.50%	17.96%	12.10%	-	-
	FACETS_5	All	76.00%	13.90%	14.00%	1.50	1.50	76.00%	13.90%	14.00%	1.50	1.50	81.00%	20.00%	13.50%	-	-
	FACETS_7	All	68.50%	11.00%	11.00%	1.50	1.50	68.50%	14.00%	11.00%	1.50	1.50	74.50%	17.00%	12.00%	-	-
	FACETS_8	All	68.50%	12.00%	12.00%	1.50	1.50	68.50%	15.00%	12.00%	1.50	1.50	74.50%	18.00%	12.00%	-	-
	FACETS_9	All	68.50%	13.00%	13.00%	1.50	1.50	68.50%	16.00%	13.00%	1.50	1.50	74.50%	19.00%	12.00%	-	-
	GC Non-CHMO	All	65.00%	16.00%	13.50%	1.40	1.40	65.00%	16.00%	13.50%	1.40	1.40	67.50%	16.00%	12.00%	1.50	1.50
FACETS_36	All	74.00%	14.00%	13.50%	1.30	1.30	74.00%	17.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-	

Table 49 – Retail Discounts and Dispensing Fees (National Network without CVS)

Calendar Year	Funding Type/Product	Employer Size	Retail 30					Retail 90					Home Delivery				
			Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee
2015 & 2016	EXRNon-ASO	0	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	EXRNon-ASO	1501	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_12	All	66.75%	11.00%	11.00%	1.50	1.50	66.75%	14.00%	11.00%	1.50	1.50	67.50%	17.00%	12.10%	-	-
	FACETS_13	All	69.75%	12.00%	12.00%	1.50	1.50	69.75%	15.00%	12.00%	1.50	1.50	74.50%	18.00%	12.10%	-	-
	FACETS_14	All	69.75%	13.00%	13.00%	1.50	1.50	69.75%	16.00%	13.00%	1.50	1.50	74.50%	19.00%	12.10%	-	-
	FACETS_15	All	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_6	All	67.75%	11.00%	11.00%	1.50	1.50	67.75%	14.00%	11.00%	1.50	1.50	74.50%	17.00%	12.10%	-	-
	GC Non-CHMO	All	66.25%	16.15%	13.50%	1.40	1.40	66.25%	16.15%	13.50%	1.40	1.40	70.56%	16.00%	11.98%	1.50	1.50
2017 & 2018	EXRNon-ASO	0	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	EXRNon-ASO	1501	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_12	All	68.75%	11.00%	11.00%	1.50	1.50	68.75%	14.00%	11.00%	1.50	1.50	67.50%	17.00%	12.10%	-	-
	FACETS_13	All	69.75%	12.00%	12.00%	1.50	1.50	69.75%	15.00%	12.00%	1.50	1.50	74.50%	18.00%	12.10%	-	-
	FACETS_14	All	69.75%	13.00%	13.00%	1.50	1.50	69.75%	16.00%	13.00%	1.50	1.50	74.50%	19.00%	12.10%	-	-
	FACETS_15	All	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_6	All	69.75%	11.00%	11.00%	1.50	1.50	69.75%	14.00%	11.00%	1.50	1.50	74.50%	17.00%	12.10%	-	-
	GC Non-CHMO	All	66.25%	16.15%	13.50%	1.40	1.40	66.25%	16.15%	13.50%	1.40	1.40	70.56%	16.00%	11.98%	1.50	1.50

Table 50 – Retail Discounts and Dispensing Fees (National Network without Walgreens)

Calendar Year	Funding Type/Product	Employer Size	Retail 30					Retail 90					Home Delivery				
			Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee
2015 & 2016	EXRNon-ASO	0	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	EXRNon-ASO	1501	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_12	All	66.75%	11.00%	11.00%	1.50	1.50	66.75%	14.00%	11.00%	1.50	1.50	67.50%	17.00%	12.10%	-	-
	FACETS_13	All	69.75%	12.00%	12.00%	1.50	1.50	69.75%	15.00%	12.00%	1.50	1.50	74.50%	18.00%	12.10%	-	-
	FACETS_14	All	69.75%	13.00%	13.00%	1.50	1.50	69.75%	16.00%	13.00%	1.50	1.50	74.50%	19.00%	12.10%	-	-
	FACETS_15	All	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_6	All	67.75%	11.00%	11.00%	1.50	1.50	67.75%	14.00%	11.00%	1.50	1.50	74.50%	17.00%	12.10%	-	-
GC Non-CHMO	All	66.25%	16.15%	13.50%	1.40	1.40	66.25%	16.15%	13.50%	1.40	1.40	70.56%	16.00%	11.98%	1.50	1.50	
2017 & 2018	EXRNon-ASO	0	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	EXRNon-ASO	1501	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_12	All	68.75%	11.00%	11.00%	1.50	1.50	68.75%	14.00%	11.00%	1.50	1.50	67.50%	17.00%	12.10%	-	-
	FACETS_13	All	69.75%	12.00%	12.00%	1.50	1.50	69.75%	15.00%	12.00%	1.50	1.50	74.50%	18.00%	12.10%	-	-
	FACETS_14	All	69.75%	13.00%	13.00%	1.50	1.50	69.75%	16.00%	13.00%	1.50	1.50	74.50%	19.00%	12.10%	-	-
	FACETS_15	All	73.25%	14.00%	14.00%	1.30	1.30	73.25%	17.00%	14.00%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_6	All	69.75%	11.00%	11.00%	1.50	1.50	69.75%	14.00%	11.00%	1.50	1.50	74.50%	17.00%	12.10%	-	-
GC Non-CHMO	All	66.25%	16.15%	13.50%	1.40	1.40	66.25%	16.15%	13.50%	1.40	1.40	70.56%	16.00%	11.98%	1.50	1.50	

Table 51 – Retail Discounts and Dispensing Fees (National Network without CVS & Walgreens)

Calendar Year	Funding Type/Product	Employer Size	Retail 30					Retail 90					Home Delivery				
			Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee
2015 & 2016	EXRNon-ASO	0	73.65%	15.50%	15.50%	1.30	1.30	73.65%	18.50%	15.50%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	EXRNon-ASO	1501	73.65%	15.50%	15.50%	1.30	1.30	73.65%	18.50%	15.50%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_11	All	68.15%	12.50%	12.50%	1.50	1.50	68.15%	15.50%	12.50%	1.50	1.50	74.50%	17.00%	12.10%	-	-
	FACETS_16	All	67.15%	12.50%	12.50%	1.50	1.50	67.15%	15.50%	12.50%	1.50	1.50	67.50%	17.00%	12.10%	-	-
	FACETS_17	All	70.15%	13.50%	13.50%	1.50	1.50	70.15%	16.50%	13.50%	1.50	1.50	74.50%	18.00%	12.10%	-	-
	FACETS_18	All	70.15%	14.50%	14.50%	1.50	1.50	70.15%	17.50%	14.50%	1.50	1.50	74.50%	19.00%	12.10%	-	-
	FACETS_19	All	73.65%	15.50%	15.50%	1.30	1.30	73.65%	18.50%	15.50%	1.30	1.30	74.50%	20.00%	12.10%	-	-
GC Non-CHMO	All	66.65%	17.65%	13.50%	1.40	1.40	66.65%	17.65%	13.50%	1.40	1.40	70.56%	18.00%	11.98%	1.50	1.50	
2017 & 2018	EXRNon-ASO	0	73.65%	15.50%	15.50%	1.30	1.30	73.65%	18.50%	15.50%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	EXRNon-ASO	1501	73.65%	15.50%	15.50%	1.30	1.30	73.65%	18.50%	15.50%	1.30	1.30	74.50%	20.00%	12.10%	-	-
	FACETS_11	All	70.15%	12.50%	12.50%	1.50	1.50	70.15%	15.50%	12.50%	1.50	1.50	74.50%	17.00%	12.10%	-	-
	FACETS_16	All	69.15%	12.50%	12.50%	1.50	1.50	69.15%	15.50%	12.50%	1.50	1.50	67.50%	17.00%	12.10%	-	-
	FACETS_17	All	70.15%	13.50%	13.50%	1.50	1.50	70.15%	16.50%	13.50%	1.50	1.50	74.50%	18.00%	12.10%	-	-
	FACETS_18	All	70.15%	14.50%	14.50%	1.50	1.50	70.15%	17.50%	14.50%	1.50	1.50	74.50%	19.00%	12.10%	-	-
	FACETS_19	All	73.65%	15.50%	15.50%	1.30	1.30	73.65%	18.50%	15.50%	1.30	1.30	74.50%	20.00%	12.10%	-	-
GC Non-CHMO	All	66.65%	17.65%	13.50%	1.40	1.40	66.65%	17.65%	13.50%	1.40	1.40	70.56%	18.00%	11.98%	1.50	1.50	

Table 52 – Retail Discounts and Dispensing Fees (Limited 90)

Calendar Year	Funding Type/Product	Employer Size	Retail 30					Retail 90					Home Delivery				
			Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee	Generic Disc	Brand Disc	Spec Disc	Gen Disp Fee	Brand Disp Fee
2015 & 2016	FACETS_21	All	66.50%	13.00%	11.00%	1.50	1.50	67.50%	19.00%	11.00%	1.50	1.50	67.50%	17.00%	12.00%	-	-
	FACETS_22	All	67.50%	13.00%	11.00%	1.50	1.50	68.50%	19.00%	11.00%	1.50	1.50	74.50%	17.00%	12.00%	-	-
	FACETS_23	All	69.50%	14.00%	12.00%	1.50	1.50	70.50%	20.00%	12.00%	1.50	1.50	74.50%	18.00%	12.00%	-	-
	FACETS_24	All	69.50%	15.00%	13.00%	1.50	1.50	70.50%	21.00%	13.00%	1.50	1.50	74.50%	19.00%	12.00%	-	-
	FACETS_25	All	73.00%	16.00%	13.50%	1.30	1.30	74.00%	22.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	FACETS_26	All	75.00%	16.00%	13.50%	1.30	1.30	76.00%	22.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	EXRNon-ASO	0	73.00%	16.00%	13.50%	1.30	1.30	74.50%	22.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	EXRNon-ASO	1501	73.00%	16.00%	13.50%	1.30	1.30	74.50%	22.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	GC Non-CHMO	All	67.00%	16.00%	13.50%	1.40	1.40	68.50%	22.00%	13.50%	1.40	1.40	67.50%	19.00%	12.00%	1.50	1.50
2017 & 2018	FACETS_21	All	68.50%	13.00%	11.00%	1.50	1.50	70.50%	19.00%	11.00%	1.50	1.50	68.50%	17.00%	12.00%	-	-
	FACETS_22	All	70.50%	13.00%	11.00%	1.50	1.50	71.50%	19.00%	11.00%	1.50	1.50	74.50%	17.00%	12.00%	-	-
	FACETS_23	All	70.50%	14.00%	12.00%	1.50	1.50	71.50%	20.00%	12.00%	1.50	1.50	74.50%	18.00%	12.00%	-	-
	FACETS_24	All	70.50%	15.00%	13.00%	1.50	1.50	71.50%	21.00%	13.00%	1.50	1.50	74.50%	19.00%	12.00%	-	-
	FACETS_25	All	74.00%	16.00%	13.50%	1.30	1.30	75.00%	22.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	FACETS_26	All	76.00%	16.00%	13.50%	1.30	1.30	77.00%	22.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	EXRNon-ASO	0	73.00%	16.00%	13.50%	1.30	1.30	74.50%	22.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	EXRNon-ASO	1501	73.00%	16.00%	13.50%	1.30	1.30	74.50%	22.00%	13.50%	1.30	1.30	74.50%	20.00%	12.00%	-	-
	GC Non-CHMO	All	67.00%	16.00%	13.50%	1.40	1.40	68.50%	22.00%	13.50%	1.40	1.40	67.50%	19.00%	12.00%	1.50	1.50

Table 53 – Pharmacy: Area Factors

State	Minimum Area Factor	Maximum Area Factor	State	Minimum Area Factor	Maximum Area Factor
AK	0.63	0.63	MT	0.68	0.68
AL	0.84	0.84	NC	0.80	0.80
AR	0.69	0.69	NE	0.64	0.64
AZ	0.72	0.72	NH	0.78	0.78
CA	0.71	0.71	NJ	0.91	0.91
CO	0.72	0.72	NM	0.56	0.56
CT	0.92	0.92	NV	0.61	0.61
DC	0.89	0.89	NY	0.96	0.96
DE	0.87	0.87	OH	0.77	0.77
FL	0.74	0.88	OK	0.83	0.83
GA	0.88	0.88	OR	0.58	0.58
HI	0.63	0.63	PA	0.86	0.86
ID	0.68	0.68	PR	0.95	0.95
IL	0.74	0.74	RI	0.71	0.71
IN	0.79	0.79	SC	0.85	0.85
KS	0.79	0.79	TN	0.83	0.83
KY	0.89	0.89	TX	0.74	0.90
LA	0.92	0.92	UT	0.76	0.76
MA	0.71	0.71	VA	0.83	0.83
MD	0.89	0.89	VI	0.76	0.76
ME	0.71	0.71	VT	0.69	0.69
MI	0.71	0.71	WA	0.64	0.64
MN	0.67	0.67	WI	0.74	0.74
MO	0.79	0.79	WV	0.83	0.83
MS	0.72	0.72	WY	0.69	0.69

Table 54 – Pharmacy: CPD (% Preventive)

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
0	0	31.76%	0.00%	0.00%	0.00%
0	1	16.61%	7.61%	79.66%	8.33%
1	50	7.15%	12.05%	80.29%	22.77%
50	100	4.73%	14.39%	30.46%	17.26%
100	150	3.60%	15.66%	23.37%	12.02%
150	200	2.92%	16.21%	23.65%	10.73%
200	250	2.44%	15.99%	24.63%	11.54%
250	300	2.04%	16.35%	26.70%	11.26%
300	350	1.69%	17.38%	27.57%	9.04%
350	400	1.46%	18.22%	25.72%	8.40%
400	450	1.34%	18.78%	21.07%	8.32%
450	500	1.12%	19.22%	24.93%	9.48%
500	550	0.97%	18.57%	27.23%	9.69%
550	600	0.89%	18.31%	29.07%	9.77%
600	650	0.84%	18.05%	28.32%	9.20%
650	700	0.76%	17.92%	30.26%	7.97%
700	750	0.68%	18.80%	29.61%	8.47%
750	800	0.64%	18.24%	30.20%	8.76%
800	850	0.62%	17.75%	27.35%	9.66%
850	900	0.58%	18.32%	24.71%	8.85%
900	950	0.53%	18.26%	28.76%	9.23%
950	1,000	0.97%	18.68%	28.71%	9.66%
1,000	1,100	0.88%	19.43%	28.67%	9.89%
1,100	1,200	0.79%	19.52%	30.42%	10.24%
1,200	1,300	0.74%	19.79%	28.81%	11.27%
1,300	1,400	0.67%	20.25%	29.64%	10.22%
1,400	1,500	0.62%	20.84%	32.39%	11.80%
1,500	1,600	0.53%	20.99%	35.38%	13.48%
1,600	1,700	0.50%	20.75%	38.13%	14.46%
1,700	1,800	0.46%	21.30%	39.32%	15.66%
1,800	1,900	0.44%	20.73%	40.73%	16.72%
1,900	2,000	1.81%	21.69%	42.14%	18.43%
2,000	2,500	1.32%	21.10%	45.02%	19.36%
2,500	3,000	0.97%	21.50%	49.04%	19.93%
3,000	3,500	0.77%	21.91%	51.79%	21.19%
3,500	4,000	0.62%	22.27%	52.44%	21.29%
4,000	4,500	0.50%	22.38%	51.43%	19.92%

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
4,500	5,000	0.41%	22.32%	51.73%	19.05%
5,000	5,500	0.34%	22.19%	53.15%	18.94%
5,500	6,000	0.30%	21.97%	53.32%	17.84%
6,000	6,500	0.25%	21.51%	53.71%	18.15%
6,500	7,000	0.22%	21.30%	54.58%	17.83%
7,000	7,500	0.19%	20.44%	53.43%	18.13%
7,500	8,000	0.16%	19.98%	53.00%	18.29%
8,000	8,500	0.15%	19.69%	53.27%	16.40%
8,500	9,000	0.13%	19.63%	53.68%	15.34%
9,000	9,500	0.11%	20.47%	51.78%	15.77%
9,500	10,000	0.10%	19.38%	51.57%	15.59%
10,000	10,500	0.09%	18.56%	50.15%	15.11%
10,500	11,000	0.08%	18.64%	50.06%	16.61%
11,000	11,500	0.07%	17.89%	47.57%	15.45%
11,500	12,000	0.06%	17.96%	50.10%	15.22%
12,000	12,500	0.06%	19.06%	49.88%	13.13%
12,500	13,000	0.05%	18.27%	48.84%	14.27%
13,000	13,500	0.05%	16.99%	49.91%	14.04%
13,500	14,000	0.04%	16.24%	49.00%	12.86%
14,000	14,500	0.04%	15.68%	47.19%	13.57%
14,500	15,000	0.03%	15.83%	45.08%	12.11%
15,000	15,500	0.03%	16.79%	45.20%	12.81%
15,500	16,000	0.03%	15.80%	45.70%	11.80%
16,000	16,500	0.03%	16.22%	42.04%	12.12%
16,500	17,000	0.03%	15.68%	43.02%	12.20%
17,000	17,500	0.02%	16.14%	43.91%	13.66%
17,500	18,000	0.02%	16.33%	41.25%	11.77%
18,000	18,500	0.02%	12.75%	40.57%	12.30%
18,500	19,000	0.02%	14.81%	35.43%	11.16%
19,000	19,500	0.02%	14.49%	32.08%	10.51%
19,500	20,000	0.04%	14.33%	30.92%	9.44%
20,000	21,000	0.03%	12.52%	30.58%	9.80%
21,000	22,000	0.03%	11.93%	31.24%	8.65%
22,000	23,000	0.03%	12.69%	29.18%	8.05%
23,000	24,000	0.03%	13.62%	31.35%	7.94%
24,000	25,000	0.03%	13.66%	28.19%	7.34%
25,000	26,000	0.03%	10.75%	25.45%	6.49%
26,000	27,000	0.03%	9.78%	17.88%	4.58%
27,000	28,000	0.02%	9.81%	19.49%	5.83%

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
28,000	29,000	0.02%	11.83%	14.68%	6.03%
29,000	30,000	0.19%	10.05%	8.85%	8.07%
30,000	40,000	0.11%	9.66%	5.20%	7.77%
40,000	50,000	0.06%	7.73%	6.88%	4.44%
50,000	60,000	0.06%	6.51%	2.02%	1.26%
60,000	70,000	0.03%	8.32%	3.68%	0.80%
70,000	80,000	0.02%	9.19%	2.34%	0.69%
80,000	90,000	0.00%	10.35%	4.09%	0.29%
90,000	91,000	0.00%	6.85%	1.23%	0.57%
91,000	92,000	0.00%	3.14%	0.88%	0.03%
92,000	93,000	0.00%	5.32%	1.54%	0.16%
93,000	94,000	0.00%	15.33%	0.42%	0.51%
94,000	95,000	0.00%	12.02%	0.44%	5.70%
95,000	96,000	0.00%	13.21%	0.49%	0.05%
96,000	97,000	0.00%	7.79%	0.72%	0.04%
97,000	98,000	0.00%	18.11%	0.81%	0.30%
98,000	99,000	0.00%	15.73%	0.62%	0.21%
99,000	100,000	0.05%	7.69%	1.17%	0.32%

Table 55 – Pharmacy: CPD (Cost per Script)

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
0	0	31.76%	\$0.00	\$0.00	\$0.00	\$0.00
0	1	16.61%	\$8.59	\$31.68	\$17.89	\$20.74
1	50	7.15%	\$13.19	\$45.66	\$56.88	\$33.59
50	100	4.73%	\$15.39	\$74.98	\$70.66	\$61.23
100	150	3.60%	\$17.45	\$90.67	\$90.17	\$77.98
150	200	2.92%	\$19.17	\$104.25	\$102.99	\$76.17
200	250	2.44%	\$20.77	\$100.58	\$119.94	\$77.68
250	300	2.04%	\$22.16	\$91.12	\$125.84	\$85.40
300	350	1.69%	\$23.16	\$99.08	\$152.31	\$95.51
350	400	1.46%	\$23.95	\$115.16	\$172.85	\$90.92
400	450	1.34%	\$25.13	\$144.29	\$166.43	\$94.93
450	500	1.12%	\$26.83	\$129.69	\$172.82	\$94.15
500	550	0.97%	\$27.67	\$133.66	\$180.89	\$105.14
550	600	0.89%	\$28.94	\$139.16	\$184.97	\$116.69
600	650	0.84%	\$30.76	\$146.55	\$205.07	\$121.70
650	700	0.76%	\$31.23	\$148.80	\$229.33	\$150.26
700	750	0.68%	\$31.55	\$151.46	\$232.16	\$137.65
750	800	0.64%	\$32.97	\$160.06	\$228.22	\$143.31
800	850	0.62%	\$34.23	\$165.81	\$240.46	\$211.59
850	900	0.58%	\$33.84	\$184.62	\$245.92	\$165.57
900	950	0.53%	\$34.77	\$170.77	\$237.25	\$165.24
950	1,000	0.97%	\$35.90	\$171.84	\$248.67	\$158.73
1,000	1,100	0.88%	\$36.95	\$174.59	\$241.62	\$152.20
1,100	1,200	0.79%	\$38.18	\$177.37	\$243.04	\$147.43
1,200	1,300	0.74%	\$39.72	\$186.08	\$248.74	\$154.11
1,300	1,400	0.67%	\$40.62	\$194.47	\$290.12	\$184.93
1,400	1,500	0.62%	\$41.43	\$197.89	\$290.25	\$182.17
1,500	1,600	0.53%	\$42.78	\$204.28	\$281.48	\$170.55
1,600	1,700	0.50%	\$43.36	\$217.35	\$282.33	\$166.81
1,700	1,800	0.46%	\$44.08	\$229.57	\$292.63	\$179.90
1,800	1,900	0.44%	\$45.03	\$236.68	\$296.15	\$208.90
1,900	2,000	1.81%	\$45.58	\$245.34	\$305.05	\$202.20
2,000	2,500	1.32%	\$46.78	\$269.92	\$329.37	\$284.82
2,500	3,000	0.97%	\$49.02	\$290.40	\$355.56	\$310.94
3,000	3,500	0.77%	\$51.07	\$311.28	\$368.62	\$349.61
3,500	4,000	0.62%	\$52.46	\$330.88	\$386.50	\$384.83
4,000	4,500	0.50%	\$53.98	\$344.60	\$405.48	\$392.83
4,500	5,000	0.41%	\$55.90	\$360.48	\$421.36	\$444.52

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
5,000	5,500	0.34%	\$57.82	\$376.24	\$437.10	\$578.30
5,500	6,000	0.30%	\$58.53	\$395.64	\$467.53	\$640.22
6,000	6,500	0.25%	\$59.24	\$408.33	\$470.07	\$697.18
6,500	7,000	0.22%	\$60.20	\$425.94	\$485.27	\$764.19
7,000	7,500	0.19%	\$62.08	\$438.35	\$510.58	\$822.95
7,500	8,000	0.16%	\$64.28	\$445.75	\$524.62	\$856.01
8,000	8,500	0.15%	\$64.87	\$471.18	\$538.33	\$1,021.51
8,500	9,000	0.13%	\$66.00	\$479.27	\$559.41	\$1,123.38
9,000	9,500	0.11%	\$70.80	\$493.26	\$564.16	\$1,126.92
9,500	10,000	0.10%	\$68.19	\$507.64	\$577.28	\$1,251.19
10,000	10,500	0.09%	\$72.75	\$525.48	\$611.31	\$1,303.97
10,500	11,000	0.08%	\$70.02	\$550.46	\$603.37	\$1,411.65
11,000	11,500	0.07%	\$73.68	\$556.51	\$623.79	\$1,503.27
11,500	12,000	0.06%	\$73.79	\$563.80	\$623.57	\$1,398.44
12,000	12,500	0.06%	\$72.67	\$573.24	\$629.04	\$1,331.17
12,500	13,000	0.05%	\$73.88	\$591.53	\$671.84	\$1,571.85
13,000	13,500	0.05%	\$78.03	\$609.54	\$685.08	\$1,754.91
13,500	14,000	0.04%	\$72.97	\$610.02	\$700.11	\$1,712.73
14,000	14,500	0.04%	\$84.48	\$634.09	\$711.13	\$1,573.76
14,500	15,000	0.03%	\$80.68	\$658.39	\$770.01	\$1,689.66
15,000	15,500	0.03%	\$86.85	\$659.23	\$772.11	\$1,754.02
15,500	16,000	0.03%	\$84.55	\$703.80	\$833.36	\$2,054.74
16,000	16,500	0.03%	\$83.39	\$736.55	\$816.97	\$2,048.87
16,500	17,000	0.03%	\$82.90	\$715.16	\$808.90	\$1,742.22
17,000	17,500	0.02%	\$85.08	\$745.43	\$901.21	\$1,987.46
17,500	18,000	0.02%	\$85.28	\$798.57	\$904.09	\$2,213.44
18,000	18,500	0.02%	\$88.04	\$821.93	\$972.63	\$2,282.43
18,500	19,000	0.02%	\$83.13	\$885.51	\$993.11	\$2,495.66
19,000	19,500	0.02%	\$92.67	\$951.03	\$1,044.17	\$2,686.76
19,500	20,000	0.04%	\$90.23	\$967.37	\$1,267.95	\$2,863.17
20,000	21,000	0.03%	\$97.32	\$1,047.95	\$1,221.26	\$2,697.53
21,000	22,000	0.03%	\$83.66	\$1,105.27	\$1,314.27	\$2,549.93
22,000	23,000	0.03%	\$92.74	\$1,086.38	\$1,484.12	\$2,664.16
23,000	24,000	0.03%	\$92.22	\$1,115.72	\$1,481.16	\$2,546.71
24,000	25,000	0.03%	\$87.55	\$1,085.64	\$1,695.76	\$2,659.79
25,000	26,000	0.03%	\$91.91	\$1,221.25	\$2,020.07	\$2,802.45
26,000	27,000	0.03%	\$92.30	\$1,333.81	\$2,368.93	\$3,046.63
27,000	28,000	0.02%	\$99.35	\$1,314.97	\$2,022.47	\$2,851.24
28,000	29,000	0.02%	\$88.06	\$1,771.19	\$2,162.11	\$3,291.95

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
29,000	30,000	0.19%	\$88.60	\$2,148.66	\$2,308.93	\$3,688.90
30,000	40,000	0.11%	\$83.19	\$3,162.33	\$2,527.06	\$4,794.57
40,000	50,000	0.06%	\$95.82	\$3,841.60	\$3,572.55	\$6,754.76
50,000	60,000	0.06%	\$86.72	\$6,992.45	\$5,360.84	\$10,941.08
60,000	70,000	0.03%	\$89.57	\$5,208.04	\$6,356.82	\$9,991.76
70,000	80,000	0.02%	\$97.94	\$6,662.97	\$5,815.56	\$10,404.61
80,000	90,000	0.00%	\$92.38	\$7,063.58	\$7,513.73	\$10,619.99
90,000	91,000	0.00%	\$134.86	\$7,354.22	\$6,199.40	\$12,131.01
91,000	92,000	0.00%	\$137.05	\$7,832.35	\$6,923.17	\$10,002.50
92,000	93,000	0.00%	\$90.10	\$7,062.53	\$7,578.90	\$11,010.31
93,000	94,000	0.00%	\$67.77	\$8,838.90	\$5,397.97	\$11,328.74
94,000	95,000	0.00%	\$61.65	\$12,488.58	\$7,397.71	\$17,622.25
95,000	96,000	0.00%	\$50.15	\$14,624.22	\$7,453.11	\$18,513.11
96,000	97,000	0.00%	\$70.17	\$13,446.79	\$6,129.71	\$18,161.28
97,000	98,000	0.00%	\$35.24	\$19,233.92	\$8,649.60	\$22,692.88
98,000	99,000	0.00%	\$44.80	\$11,693.75	\$8,998.11	\$18,341.89
99,000	100,000	0.05%	\$105.15	\$9,398.84	\$8,965.70	\$14,548.35

Table 56 – Pharmacy: CPD (Scripts PMPY)

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
0	0	31.76%	0.000	0.000	0.000	0.000
0	1	16.61%	2.319	0.012	0.006	0.000
1	50	7.15%	4.698	0.128	0.043	0.001
50	100	4.73%	6.225	0.256	0.064	0.004
100	150	3.60%	7.456	0.332	0.087	0.007
150	200	2.92%	8.370	0.436	0.102	0.010
200	250	2.44%	9.346	0.550	0.124	0.015
250	300	2.04%	10.273	0.719	0.153	0.018
300	350	1.69%	10.942	0.792	0.190	0.026
350	400	1.46%	11.285	0.866	0.224	0.031
400	450	1.34%	11.297	0.921	0.245	0.034
450	500	1.12%	12.110	1.026	0.269	0.044
500	550	0.97%	12.842	1.086	0.290	0.045
550	600	0.89%	13.214	1.151	0.319	0.050
600	650	0.84%	13.000	1.252	0.335	0.054
650	700	0.76%	13.410	1.276	0.397	0.058
700	750	0.68%	13.761	1.418	0.423	0.060
750	800	0.64%	13.715	1.481	0.469	0.064
800	850	0.62%	13.557	1.645	0.453	0.071
850	900	0.58%	13.623	1.713	0.471	0.069
900	950	0.53%	14.055	1.905	0.536	0.072
950	1,000	0.97%	14.203	2.068	0.594	0.078
1,000	1,100	0.88%	14.228	2.391	0.680	0.078
1,100	1,200	0.79%	14.810	2.589	0.730	0.087
1,200	1,300	0.74%	14.522	2.836	0.794	0.078
1,300	1,400	0.67%	14.949	2.807	0.853	0.078
1,400	1,500	0.62%	15.111	3.042	0.925	0.084
1,500	1,600	0.53%	16.078	3.096	0.965	0.093
1,600	1,700	0.50%	16.125	3.251	1.002	0.090
1,700	1,800	0.46%	16.540	3.285	1.038	0.087
1,800	1,900	0.44%	16.567	3.462	1.073	0.088
1,900	2,000	1.81%	17.559	4.055	1.213	0.107
2,000	2,500	1.32%	19.509	4.677	1.440	0.131
2,500	3,000	0.97%	21.212	5.118	1.698	0.156
3,000	3,500	0.77%	22.512	5.689	1.861	0.164
3,500	4,000	0.62%	23.854	6.198	2.053	0.200
4,000	4,500	0.50%	24.946	6.745	2.225	0.234
4,500	5,000	0.41%	25.413	7.292	2.387	0.255

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
5,000	5,500	0.34%	26.110	7.740	2.536	0.274
5,500	6,000	0.30%	26.450	8.060	2.716	0.300
6,000	6,500	0.25%	27.332	8.542	2.900	0.326
6,500	7,000	0.22%	28.369	8.974	2.949	0.382
7,000	7,500	0.19%	28.458	9.321	3.130	0.410
7,500	8,000	0.16%	29.480	9.703	3.259	0.451
8,000	8,500	0.15%	29.510	9.861	3.386	0.499
8,500	9,000	0.13%	30.329	10.092	3.600	0.602
9,000	9,500	0.11%	30.752	10.591	3.501	0.683
9,500	10,000	0.10%	31.296	10.775	3.825	0.698
10,000	10,500	0.09%	32.427	10.718	3.748	0.823
10,500	11,000	0.08%	32.199	11.228	3.844	0.977
11,000	11,500	0.07%	33.630	10.949	4.184	1.064
11,500	12,000	0.06%	33.402	11.670	4.157	1.051
12,000	12,500	0.06%	34.593	12.102	4.367	1.256
12,500	13,000	0.05%	34.735	12.331	4.169	1.255
13,000	13,500	0.05%	34.489	12.152	4.583	1.306
13,500	14,000	0.04%	35.616	12.893	4.485	1.375
14,000	14,500	0.04%	35.768	12.388	4.371	1.777
14,500	15,000	0.03%	35.068	12.321	4.507	1.905
15,000	15,500	0.03%	34.776	12.260	5.005	1.917
15,500	16,000	0.03%	34.788	12.261	4.742	1.948
16,000	16,500	0.03%	35.956	12.355	4.743	2.228
16,500	17,000	0.03%	38.136	13.096	4.955	2.638
17,000	17,500	0.02%	35.058	12.302	5.122	2.451
17,500	18,000	0.02%	35.086	12.245	4.908	2.496
18,000	18,500	0.02%	34.754	12.071	4.980	2.711
18,500	19,000	0.02%	34.852	11.533	4.871	2.817
19,000	19,500	0.02%	32.828	10.879	4.844	3.087
19,500	20,000	0.04%	31.527	10.808	4.524	3.394
20,000	21,000	0.03%	31.856	10.753	4.814	3.834
21,000	22,000	0.03%	32.427	10.520	4.947	4.616
22,000	23,000	0.03%	30.150	10.655	4.954	4.865
23,000	24,000	0.03%	31.839	10.728	5.177	5.537
24,000	25,000	0.03%	29.079	10.463	5.738	5.804
25,000	26,000	0.03%	26.162	9.061	5.457	6.270
26,000	27,000	0.03%	25.365	8.366	5.092	6.258
27,000	28,000	0.02%	26.857	9.305	5.638	6.673
28,000	29,000	0.02%	23.945	8.567	4.626	6.768

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
29,000	30,000	0.19%	25.003	9.099	3.941	7.410
30,000	40,000	0.11%	24.547	8.987	3.335	7.850
40,000	50,000	0.06%	24.663	8.573	3.721	6.981
50,000	60,000	0.06%	19.336	6.255	2.497	5.589
60,000	70,000	0.03%	25.156	8.288	3.631	6.766
70,000	80,000	0.02%	25.007	8.217	3.856	7.575
80,000	90,000	0.00%	29.954	7.400	4.077	7.815
90,000	91,000	0.00%	24.938	7.396	4.625	7.188
91,000	92,000	0.00%	25.911	6.339	4.964	8.714
92,000	93,000	0.00%	24.365	7.500	4.385	7.865
93,000	94,000	0.00%	21.250	7.125	3.953	7.938
94,000	95,000	0.00%	17.663	4.916	2.916	5.108
95,000	96,000	0.00%	15.435	4.885	1.893	5.130
96,000	97,000	0.00%	19.878	5.740	2.415	5.203
97,000	98,000	0.00%	14.646	4.243	1.660	4.267
98,000	99,000	0.00%	18.888	6.103	2.430	5.196
99,000	100,000	0.05%	25.650	9.091	5.475	8.980

Table 57 – Pharmacy: Clinical Management Programs

Clinical Module B	0.50%
Clinical Module C	1.50%

Table 58 – Pharmacy: Demographic Factors

Age Band	Male			Female			MT and MN Unisex
	Employee	Spouse	Child	Employee	Spouse	Child	All
00 - 19	0.2084	0.3297	0.3942	0.3751	0.2634	0.3230	0.3589
20 - 24	0.2440	0.2446	0.4476	0.5903	0.4839	0.7799	0.4881
25 - 29	0.3795	0.4117	0.4529	0.8006	0.6721	0.8807	0.5823
30 - 34	0.5260	0.5830	0.6413	0.9246	0.8380	1.0170	0.7161
35 - 39	0.7388	0.7979	0.8777	1.0664	1.0479	1.1730	0.9070
40 - 44	1.0068	1.0790	1.1869	1.2234	1.2657	1.3923	1.1347
45 - 49	1.2890	1.4365	1.5801	1.4629	1.6509	1.8160	1.4360
50 - 54	1.6628	1.8757	2.0633	1.8403	2.1538	2.3692	1.8439
55 - 59	2.0812	2.3249	2.5574	2.2293	2.6425	2.9068	2.2691
60 - 64	2.5926	2.8450	3.1295	2.6871	3.1016	3.4117	2.7501
65 - 69	2.9262	3.4921	3.8413	2.8160	3.4396	3.7836	3.0846
70+	3.4832	3.7438	4.1182	3.1700	3.8747	4.2621	3.5014

Table 59 – Industry Load

Industry	Minimum	Maximum	Median
Agriculture	0.950	1.100	1.025
Mining	1.000	1.150	1.100
Construction	0.950	1.150	1.050
Manufacturing	0.900	1.100	1.000
Transportation, Communication, & Utilities	0.900	1.100	1.000
Wholesale Trade	0.900	1.000	0.950
Retail Trade	0.950	1.150	1.050
Finance, Insurance and Real Estate	0.900	1.100	1.000
Services	0.900	1.100	1.050
Public Administration	1.000	1.100	1.000

Table 60 – Pharmacy: Utilization Dampening Factors

Cost Share	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%	6.0%	6.5%	7.0%	7.5%	8.0%	8.5%
Factor	1.150	1.150	1.150	1.150	1.150	1.134	1.125	1.121	1.116	1.112	1.108	1.103	1.099	1.094	1.090	1.086	1.081	1.077
Cost Share	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%	14.0%	14.5%	15.0%	15.5%	16.0%	16.5%	17.0%	17.5%
Factor	1.073	1.068	1.064	1.059	1.055	1.051	1.046	1.042	1.038	1.033	1.029	1.024	1.020	1.016	1.011	1.007	1.003	0.998
Cost Share	18.0%	18.5%	19.0%	19.5%	20.0%	20.5%	21.0%	21.5%	22.0%	22.5%	23.0%	23.5%	24.0%	24.5%	25.0%	25.5%	26.0%	26.5%
Factor	0.994	0.989	0.985	0.981	0.977	0.973	0.969	0.966	0.962	0.958	0.954	0.951	0.947	0.943	0.939	0.936	0.932	0.928
Cost Share	27.0%	27.5%	28.0%	28.5%	29.0%	29.5%	30.0%	30.5%	31.0%	31.5%	32.0%	32.5%	33.0%	33.5%	34.0%	34.5%	35.0%	35.5%
Factor	0.924	0.921	0.917	0.913	0.909	0.906	0.902	0.898	0.894	0.891	0.887	0.883	0.879	0.876	0.872	0.868	0.864	0.861
Cost Share	36.0%	36.5%	37.0%	37.5%	38.0%	38.5%	39.0%	39.5%	40.0%	40.5%	41.0%	41.5%	42.0%	42.5%	43.0%	43.5%	44.0%	44.5%
Factor	0.857	0.853	0.849	0.846	0.842	0.838	0.834	0.831	0.827	0.823	0.819	0.816	0.812	0.808	0.804	0.801	0.800	0.800
Cost Share	45.0%	45.5%	46.0%	46.5%	47.0%	47.5%	48.0%	48.5%	49.0%	49.5%	50.0%	50.5%	51.0%	51.5%	52.0%	52.5%	53.0%	53.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	54.0%	54.5%	55.0%	55.5%	56.0%	56.5%	57.0%	57.5%	58.0%	58.5%	59.0%	59.5%	60.0%	60.5%	61.0%	61.5%	62.0%	62.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	63.0%	63.5%	64.0%	64.5%	65.0%	65.5%	66.0%	66.5%	67.0%	67.5%	68.0%	68.5%	69.0%	69.5%	70.0%	70.5%	71.0%	71.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	72.0%	72.5%	73.0%	73.5%	74.0%	74.5%	75.0%	75.5%	76.0%	76.5%	77.0%	77.5%	78.0%	78.5%	79.0%	79.5%	80.0%	80.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	81.0%	81.5%	82.0%	82.5%	83.0%	83.5%	84.0%	84.5%	85.0%	85.5%	86.0%	86.5%	87.0%	87.5%	88.0%	88.5%	89.0%	89.5%
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Share	90.0%	90.5%	91.0%	91.5%	92.0%	92.5%	93.0%	93.5%	94.0%	94.5%	95.0%							
Factor	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800							

Table 61 – Pharmacy: Multiple Offering Load

State	Load	
	Minimum	Maximum
CA	0%	2%
TX	0%	5%

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	CHLIC-VTexh.pdf CHLIC - VTactuarial memo_Revised Per Mandate.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Civil Union Rating Requirements
Bypass Reason:	In compliance
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Filing Compliance Certification
Bypass Reason:	Included in memorandum
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	n/a
Attachment(s):	
Item Status:	

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Status Date:	
Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection Dated 1/17/17
Comments:	
Attachment(s):	Objection Letter 1 Responses - FINAL.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection Dated 1/26/17
Comments:	
Attachment(s):	Objection Letter 2 Responses - Final.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection Dated 2/6/17
Comments:	
Attachment(s):	Objection Letter 3 Responses - FINAL.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Letter in response to final GMCB order
Comments:	
Attachment(s):	Cigna memorandum in response to final GMCB order.pdf
Item Status:	
Status Date:	

VERMONT FILING SUMMARY
CGLIC/CHLIC Combined

Vermont (only)
(000's)

	Earned Premium	Incurred Losses	Loss Ratio
5th prior year 2012	\$27,767	\$20,704	74.6%
4th prior year 2013	\$27,866	\$22,860	82.0%
3rd prior year 2014	\$15,241	\$10,215	67.0%
2nd prior year 2015	\$12,131	\$9,786	80.7%
1st prior year 2016	\$11,652	\$9,858	84.6%

Countrywide
(000's)

	Earned Premium	Incurred Losses	Loss Ratio
5th prior year 2012	\$5,165,250	\$4,284,681	83.0%
4th prior year 2013	\$5,572,915	\$4,658,535	83.6%
3rd prior year 2014	\$5,401,277	\$4,451,450	82.4%
2nd prior year 2015	\$5,594,394	\$4,587,931	82.0%
1st prior year 2016	\$5,843,289	\$4,776,584	81.7%

2016 SHCE is not available yet. 2016 is projected based on current filed and approved methodology

EXHIBIT I

ACTUARIAL MEMORANDUM AND CERTIFICATION

Scope and Purpose

The purpose of this filing is to submit CIGNA Health and Life Insurance Company's group manual rating methodology. Our pricing model was developed to provide a consistent rating methodology across products. This filing includes Open Access Plus, PPO, Network, Indemnity, and retiree medical insurance product, and is applicable for groups of 100 or more lives. Methodology is also included for Pharmacy products.

Benefit Description

The benefits covered in this memorandum include group health insurance coverage as described in CIGNA Health and Life Insurance Company forms HP-POL et al, and HC-TOC et al.

Census

Member level census will be used when available. If only subscriber level data is available, penetration and translation assumptions will be used to create a member level census for manual rate development. The penetration and translation assumptions used are developed from studies of our book of business, which includes experience from similar CIGNA Health and Life Insurance Company ("CHLIC") policies. Penetration estimates the number of subscribers that will select the CIGNA Health and Life Insurance Company plan; the translation process develops projected subscribers and members within rating tiers.

Adjustments to Base Claims

The base claim rates by area are adjusted for certain group and member characteristics. These include industry loads and discounts, age and sex demographic adjustments, and trends.

Adjustments for industry (SIC) are developed from a study of our book of business combined with results from an outside consultant's national industry factor assessment study.

Age and sex demographic adjustments are developed from a study of our book of business. The resulting age/sex slopes are normalized to represent the national census.

Trends reflect historical experience from CHLIC's group medical experience and projections for future levels. Medical trend rates are applied on a daily basis.

Benefit Plan Adjustments

Base claims are reduced for specific cost sharing features of the product and benefit plan selected. Copay and other cost sharing benefit design related adjustments are made using assumptions regarding utilization levels by base claim component. Claim distributions are used to determine the impact of deductibles, coinsurance and out of pocket maximums. In addition, a utilization dampening factor is applied to reflect lower utilization levels as cost sharing rises.

Renewability Clause

The benefit plans covered under this memorandum are guaranteed renewable.

Applicability

CHLIC, Inc. anticipates both renewals and new issues from the forms currently filed.

Marketing Method

These products are sold to employer-employee groups, labor union groups and association groups through CIGNA Health and Life Insurance Company group sales offices.

Premium Classes

Premium rates may vary by product, plan design, geographic area, group demographics, industry, effective date, experience, and underwriting discretion.

Issue Age Range

There are no issue age restrictions in our policy forms; however, eligibility requirements must be fulfilled.

Premium Modalization Rules

The CIGNA Health and Life Insurance Company Health Manual produces monthly premiums. Modalization factors are expressed as a function of these monthly rates as follows:

Annual	11.8227
Semi-Annual	5.9557
Quarterly	2.9852

Distribution of Business

Rates vary by geographic location and group specific characteristics, including demographics. Target distribution is to groups with both single employees and employees with dependents, assuming a 40/60 distribution

Rating

The group rates filed represent the rate level we expect to be necessary to achieve a desired average loss ratio for all group contracts. Accordingly, actual rates for groups will vary as a result of a variety of factors. These include variation in benefit plan, age, gender, family composition, size, industry, area, healthplan claim experience, pharmacy indicators and underwriting discretion.

Depending upon group size, case specific claim experience may be used to adjust the rate. Credibility is based on group size, pooling level and months of experience. Rates for partially credible groups are based on a blend of experience and manual rating.

For Minimum Premium plans, the premium paid by the policyholder is reduced for the portion of the total claim amount that is expected to be self-insured.

Anticipated Loss Ratio

The methodology and supporting factors apply to groups of 51 or more employees.

The anticipated large group loss ratio for this policy is 87.1%.

The components of Cigna's retention for our Large Group pricing are as follows:

Administrative Expenses 6.4%

Optional Buy-ups 0.6%

PPACA Fees 0.0%

Risk Charge: 0.2%

Premium and Income Taxes 2.0%

Profit 2.0%

State Assessments 1.4%

Commissions 0.3%

Total 12.9%

Comparison to Status Quo

This filing includes a number of changes to our medical and pharmacy rating methodologies. It is difficult to quantify each change independent of the others. The average expected decrease in manual rates in Vermont is -5.4%. This figure was calculated by comparing the current filed and approved manuals using an illustrative effective date of 1/1/2016 to the proposed 1/1/2017 manuals for a representative sample of Vermont sitused business. This figure is inclusive of one year of trend. (Note: The number of fully insured accounts sitused in Vermont in 2015 was 12 consistent with the company's Supplemental Health Care Exhibits.)

Changes to Methodology for the 2017 Cigna Rate Filing

- Updates to the collective deductible and collective out-of-pocket maximum methodologies
- Updates to the medical base claims
- Updates to the medical area factors and trend
- Updates to the medical capitation percentages
- Updates to the enhanced non-par claims adjustment
- Updates to the inpatient number of copays per admit adjustment
- Updates to the medical effective deductible and effective out-of-pocket maximum adjustments
- Updates to the medical utilization dampening
- Changes to community rate loads
 - Revision:
 - Modular Medical Management adjustment
 - Criteria-Based Network adjustment
 - Addition:
 - Telehealth adjustment
 - Removal:
 - Lock-in decrement (now rolled into medical area factors)
 - Case-size adjustment for NJ
- Updates to the base rates for all medical riders
- Updates to the POS Load coefficients
- Updates to the MHSUD trend and rates
- Updates to the Vision cost and service utilization
- The methodology for rating pharmacy benefits has significantly changed. Reference Step 6 of the rate filing.
- Several new pharmacy tables have been added to the appendix to support the new methodology. Pharmacy tables that have not changed include:
 - Demographic Factors
 - Utilization Dampening
 - Industry Factors
 - Multiple Offering Loads
 - Pharmacy Clinical Management Programs

Credibility Formula Revision

Cigna Health and Life Insurance Company uses experience rating on large employer commercial customers to set future rates based on the past experience of the customer, where a customer is defined as the aggregation of all Cigna Health and Life Insurance Company accounts associated with a given employer, nationwide.

For prospectively rated accounts, the number of member months at which the experience is considered fully credible depends on the pooling point, shown in the chart below. Partial credibility (blending experience with manual) would be reflected using the following formula:

$$Credibility = \sqrt{\frac{Member\ Months}{Upper\ Bound}}$$

Where the upper bound varies based on pooling point as follows:

Pooling Point Range	Upper Bound
\$0-\$29,999	5552
\$30,000 -\$59,999	7000
\$60,000 - \$89,999	9000
\$90,000 - \$139,999	11000
\$140,000 +	12000

There is a minimum of 5 months of experience for paid claims and 4 months for incurred claims as well as a minimum overall of 100 member months to have any credibility. If member months are greater than or equal to the upper bound, credibility is 100%.

ACTUARIAL CERTIFICATION

Opinion

In my opinion, the rates were developed using reasonable actuarial assumptions, and the rate levels are reasonable in relationship to the benefits provided. The actuarial data and experience will be maintained by the company and available for review by the Green Mountain Care Board upon request.

I certify that to the best of my knowledge and judgment, this rate filing is in compliance with the applicable laws and regulations of the State. In summary, I believe that the rating assumptions proposed will produce rates which are not excessive, inadequate, or unfairly discriminatory



Matthew D. Danziger, FSA, MAAA
Actuarial Director

Date: 04/06/2017

Responses to Objections

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Objection 1

Comment:

Please list and quantify the reasons for the overall rate impact of -3.70%, and explain why policyholders could receive a rate increase/decrease that ranges from -9.70% to 0.10%.

Response:

The overall rate impact of -3.70% represents the weighted average of our proposed actuarial pricing methodology for the state of VT, relative to previously filed and approved pricing. This impact is calculated by comparing the filed and approved manual rates for an illustrative effective date of 1/1/2016 to the proposed manual rates for an illustrative effective date of 1/1/2017 for a representative sample of VT sitused business.

There are three main categories of change that help us analyze the -3.70%: updated rating variables on a 1/1/2017 basis (including area factors and trend), previously filed and approved 2017/2016 trend, and the change in proposed MLR. Please see the table below for more analysis.

Category	Change
Rating Variables	-11.0%
Med+Rx Filed Trend	9.4%
MLR Impact	-1.1%
Total Impact¹	-3.7%

¹Total Impact = (1+Rating Variables) * (1+Med+Rx Filed Trend) * (1+MLR Impact)

Rating Variables: In this proposed filing, we are reflecting reductions to our area factors as a result of our periodic experience rate reviews, which looked at full-year 2015 experience relative to our manual rating expectation. Generally, claims were favorable as compared to the manual, which results into lowering our medical and rx area factors. Secondly, as represented in the filing, we have taken reductions to our trend assumptions relative to previous expectations. Please see the supplemental trend exhibits for more information.

By design of the rate review process, methodology changes are neutralized out at the rating area level, such that the average impact of methodology changes are 0% at the rating area level (i.e. the average manual is aligned to the average experience). However, at the case level methodology changes can cause a difference in manual rating between filings. Additionally, the -3.7% represents the impact to the average VT situs case, which include membership inside and outside of VT. Geographic mix at the case level (e.g. a single account having greater/lower % VT membership) can drive variance to the average. Methodology changes and geographic mix are the main drivers behind the range between the minimum and maximum filed rate changes.

Objection 2

Comment:

As indicated in the actuarial memorandum and evidenced in Table 1, the medical base claims have changed from the last approved filing:

- a. Please explain in more detail about the updates, including but not limited to experience period and data source.
- b. Quantify the impact of updating base medical claim assumptions and the CPD table respectively and their combined effects.

Response:

The updates to base medical claim assumptions, in this year's filing are a mechanical result of rolling forward the base year from 2014 to 2015. The current filed an approved "manual base rates" are based in 2014. The proposed "manual base rates" are based in 2015. Each year, we roll forward the national base medical claims by national trend, and consequently roll off that year of trend from the calculation, i.e. 2015/2014 trend is no longer used in rate calculations. As such, there is no rating impact of this change. There were no changes made to the CPD this filing.

Our rate review process is further used to calibrate the combination of our base rate, methodology, and area factors to our claims experience at the rating area level. The combination of all pricing methodology changes (including area factors and base rates, trend, and retention) result in an overall rate change of -3.70%, as stated in the SERFF.

National methodology changes are analyzed based on Cigna's National book of business, using full year 2015 claims experience, which represents about 58 million member months.

Objection 3

Comments:

Regarding the medical trend assumptions,

- a. Please provide detailed quantitative and qualitative support for them;
- b. Please quantify the impact of updating medical trend assumptions

Response:

a.

Pricing Trend Assumptions

Below provides detail into the buildup of our Vermont pricing trend assumptions for 2016/2015 and 2017/2016.

Vermont In-Network Trend			Vermont In-Network Trend		
2016/2015	Weight	Unit	2017/2016	Weight	Unit
IP ¹	17.7%	4.3%	IP ¹	17.7%	3.0%
OP ²	43.7%	5.7%	OP ²	44.4%	2.8%
Pro ³	25.1%	0.1%	Pro ³	24.0%	2.9%
OMS ³	13.6%	7.2%	OMS ³	14.0%	7.2%
Unit Cost	100.0%	4.2%	Unit Cost	100.0%	3.5%
Util		2.2%	Util		1.9%
Mix		1.2%	Mix		1.2%
Total Trend		7.9%	Total Trend		6.8%

¹ IP (Inpatient) unit trends are created using a weighted average of IP cost per day by facility with that facilities % weight in the market. Weights are calculated using Vermont customers \$ FFS spend . The IP unit cost trend is the year over year comparison of the weighted average IP cost per day . For example: 2016 IP unit cost trend= 2016 IP cost per day/2015 IP cost per day.

² OP (outpatient) unit trends are created using weighted average of OP discounts by facility with that facilities % weight in the market. Weights are calculated using Vermont customers \$ FFS spend The OP unit cost trend is the year over year comparison of the weighted average discounts (more specifically 1- discounts) after normalizing for known differences in billed charges a.k.a charge master trends.

³ Pro (Professional) and OMS (Other Medical Services) unit trends are created in a similar fashion to IP and OP.

Historical Claims Experience for Vermont

Vermont Monthly Medical Claims Experience		
Incurring Month (YYYYMM)	Incurring Claims	Members
201401	\$11,717,742	38,104
201402	\$10,695,582	37,894
201403	\$11,091,401	37,874
201404	\$11,143,853	37,912
201405	\$12,194,115	37,364
201406	\$11,169,364	37,337
201407	\$12,003,806	36,986
201408	\$10,649,623	37,028
201409	\$11,613,918	36,987
201410	\$12,535,190	36,941
201411	\$10,986,846	36,013
201412	\$13,885,459	36,068
201501	\$11,055,548	35,775
201502	\$9,347,812	35,627
201503	\$12,019,499	35,607
201504	\$12,111,415	35,626
201505	\$12,254,541	35,506
201506	\$12,751,583	35,425
201507	\$12,725,351	35,262
201508	\$10,591,326	35,102
201509	\$11,608,054	35,058
201510	\$12,900,988	34,828
201511	\$12,354,168	34,692
201512	\$14,148,749	34,542
201601	\$10,453,674	35,627
201602	\$11,148,123	35,533
201603	\$12,008,461	35,680
201604	\$10,907,825	35,498
201605	\$11,880,538	35,323
201606	\$11,774,433	35,312
201607	\$12,193,718	37,235
201608	\$13,162,975	37,193
201609	\$12,734,749	37,025
201610	\$13,646,506	37,096
201611	\$0	0
201612	\$0	0

The table above represents three years of historical monthly claims experience for Vermont. We've also provided the monthly view of membership. The membership displayed here will not agree with the membership provided in the SERFF because this membership represents members who reside in VT for all funding types and the membership displayed in the SERFF represents the members who are situated in VT for fully insured products only. This information is not normalized for demographics or plan design.

Below is a summarized view of trend and normalized trend. The normalization factor represented below includes benefit changes, demographics and geographies. **Benefit changes** measures the impact of plan design changes on Cigna's observed trend. To compute this adjustment, we compare the manual community rates for the plan designs in the two periods. Note that we use the same demographic and geographic distribution of the population to ensure we are isolating out only the effect of plan design changes. **Demographics** measures the impact that changes in age/gender has on Cigna's observed trend. To compute this adjustment, we compare the manual rating age/gender factors for the populations in the two periods. **Geographies** measures the impact that changes in the geographic distribution of customers has on Cigna's observed trend. To compute this adjustment, we compare the manual rating geographic factors for the population in the two periods

The following calculation is based on normalizing an open block of business. Normalizing an open block can cause some volatility and this view alone is not directly comparable to our prospective trend story. We rely heavily on our knowledge of our unit cost position and forecasting in the market to set an appropriate prospective trend.

Vermont Medical Trends	FY 2014 PMPM	FY 2015 PMPM	15/14 Trend	3Q15 YTD PMPM	3Q16 YTD PMPM	16/15 Trend
Total Observed (Net) Trend	\$ 313	\$ 340	8.7%	\$ 313	\$ 340	8.5%
Normalization Factor			-0.6%			0.2%
Total Normalized (Gross) Trend			9.3%			8.3%

Please see more information in the “CONFIDENTIAL – VT 2017 Supplemental Trend Info” workbook.

- b. Please see below the analysis of the change in medical trend assumptions for the 2016/2015 trend and 2017/2016 trend:

Trend Filing Impact		
Filing Year	2016/2015	2017/2016
2016	8.9%	8.9%
2017	7.9%	6.8%
Medical Trend impact²		-2.8%

²Medical Trend impact = $((1+0.079)*(1+0.068))/((1+0.089)*(1+0.089))-1$

Objection 4

Comments:

As indicated in the actuarial memorandum, the methodology for rating pharmacy benefits has significantly changed.

- a. Please provide a summary of the major changes from the last approved filing, and explain the reasons for these changes;
- b. We have noticed a few new formulary types listed in the current filing. What are the reasons for the new formulary types, and how are they mapped to the current formulary types?
- c. How are the data for mail order drugs being reported and trended?
- d. What are the overall pharmacy cost and utilization trend for 2016 and 2017 respectively? Please provide a comparison of the pharmacy trends to those used in the last approved filing and explain in more details the driving forces of the changes in the pharmacy trend assumptions.

Response:

a. Summary of major changes:

- Reduction of product difference by platform: In the last approved filing, there were a series of tables that had separate assumptions for the FACETS and non-FACETS platforms. There are no longer substantial product differences between the two claim platforms so it is unnecessary to have separate pricing assumptions. These changes impact the following sets of tables:
 - i. Retail and Mail Order AWP per Script Assumptions
 - ii. Retail and Mail Order Discounts and Dispensing Fees
 - iii. Retail and Mail Order Script Count PMPY Assumptions
- Combined the AWP per script and annual script count per member assumption tables: In the last approved filing, there are separate base AWP per script and annual script count per member assumptions for both Retail and Mail-Order Delivery for each formulary. Since the last filing, however, Cigna's Retail 90 – a service allowing customers to fill up to a 3 month prescription at a Retail pharmacy – has grown significantly. To accurately rate for scripts filled in this channel, we revised the existing methodology to better incorporate the cost impact of adopting Retail 90. It was determined that the best course of action was to have one AWP per script assumption table and one script count per member assumption table where all scripts are assumed to be a 30-day supply. These single assumption tables are allocated to the different distribution channels (Retail 30, Retail 90, and Mail-Order), varying by the client's plan design. For every three 30-day supply prescriptions allocated to the mail order and retail-90 channels, only 1 90-day prescription is assumed to be filled.
- Updated the methodology for clinical programs (i.e. clinical management and global step therapy):
 - i. In the last approved filing, clinical program savings were captured through a decrement applied to the calculated expected pharmacy claims. In the new filing, the savings are captured through a set of assumptions that shift high cost non-preferred brand scripts to lower cost generic scripts. This new methodology was calibrated to produce similar savings to the prior decrements.

- Introduced separate trend assumptions for Generic, Brand, and Specialty drugs:
 - i. In the last approved filing, there is only a single cost and a single unit trend assumption for pharmacy. Historic pharmacy trends, however, show material differences in trend for Generic, Brand, and Specialty drugs. Because of this observation, separate trend assumptions are introduced for each drug type (i.e. Generic, Brand, Specialty).
- b. See the table below with the appropriate formulary mappings:

New Filing	Old Filing
Legacy	Legacy
Standard	Standard
Performance	Performance
Value	Value
Advantage	Advantage
Value DRT	Value DRT
Advantage DRT	Advantage DRT
Generics Only	Generics Only
Performance 4Tier	Performance
Advantage 4Tier	Advantage

Neither the Performance 4 Tier nor the Advantage 4 Tier drug lists are new. These drug lists simply have a different tiering structure than what is offered on the performance and advantage drug lists respectively. Note that the drug lists were outlined in two separate tables in prior filings – one for the Facets platform and one for the non-Facets platform.

- c. The base AWP/script and script count PMPY tables are on a 30-day supply basis. The base tables reflect utilization across all channels (retail-30, retail-90, mail order). For every 3 30-day prescriptions allocated to the mail order channel, 1 mail order script is assumed. Trend assumptions do not vary by channel.

d.

Pharmacy Trend Assumptions

The chart below outlines the current trend factors needed to adequately price the pharmacy benefit.

	2016/2015	2017/2016
Cost Trend	9.00%	10.00%
Utilization Trend	1.80%	1.70%
Total Trend	11.00%	11.90%

Pharmacy trends are composed of several pieces:

1. Cost trend: the change in the average ingredient cost per script of drugs due to:
 - i. Inflation – the change in cost per unit for medications used in both the base period and current period, isolating against changes in days’ supply and mix shift.
 - ii. Mix shift – the change in cost due to patients filling different medications in the current period vs. the prior period. This is caused by a loss of exclusivity (patent expirations) which results in a shift from brand utilization to generic utilization,

as well as a shift in utilization from existing generic medications to new generics after patent expirations.

- iii. Pipeline – The approval and launch of pipeline drugs causes a shift in utilization from older therapies to novel therapies and causes the emergence of new claims from previously untreated populations.

2. Utilization trend: the change in the number of prescriptions filled on a PMPM basis
Pharmacy trends continue to remain elevated as a result of the proliferation of high cost specialty medications. Specifically, Rheumatoid Arthritis and Multiple Sclerosis medications have significant price increases and the expected utilization of new specialty medications used in the treatment of cancer will result in specialty trends holding around 20%. The chart below outlines our expectations for specialty and non-specialty trends.

Trend Category	2016/2015	2017/2016
Specialty	19.90%	21.70%
Non-Specialty	8.80%	8.80%
Total Trend	11.00%	11.90%

Non-specialty trends are expected to remain the same year-over-year. Although many brand medications continue to see significant cost-per-script increases, efforts made to better manage our drug lists to steer customers to the lowest cost drug should result in overall consistent non-specialty trends.

Actual observed trend for 2015, and YTD 2016 was 11.1% and 6.2% respectively. Observed trends vary from pricing trends due to a variety of reasons including but not limited to changes in benefits and/or plan designs, demographics, and geographies. Normalizing for some of these factors would cause the observed trend to shift upwards .

Observed (raw and/or normalized) historical trends are not directly comparable to prospective pricing trend. We rely heavily on our knowledge of our unit cost position and forecasting the components mentioned above to set an appropriate prospective trend.

Objection 5

Comments:

Provide the derivation of the projected federal MLR for 2017, starting with your target loss ratio.

Response:

Projected MLR	85.6%
+ Risk Charge	0.2%
- TPV Admin	-1.1%
+ QI Expenses	0.2%
+ PPACA Fees	0.0%
+ Premium Tax	1.8%
+ Fed Income Tax	2.3%
Federal MLR	89.0%

The following assumptions apply to the projected federal MLR for 2017:

- Risk charges are a component of policy holder product design within the shared returns product. If a clients' claims experience runs at or better than set expectations inclusive of the risk charge, the client shares in the favorable experience up to 100%.
- Third Party Vendor administrative expenses are a deduction from the claims in the federal MLR. Assumption of 1.1% of premium based on final 2015 results.
- QI expenses assumed to be 0.14% of premium, based on final 2015 results.
- PPACA fee assumptions:
 - o Reinsurance PMPM of \$0 since the reinsurance assessment is only applicable from 2014 through 2016
 - o HII Fee set to 0% of premium due to the 2017 HII fee suspension
- Premium tax of 2.0% based on VT historical results
- Federal income tax is based on a 35% tax rate adjusted for non-tax deductibility of HII fee.

Objection 6

Comments:

Please explain any significant changes in the retention assumptions, and explain how the retention assumptions in this filing compare to experience.

Response:

	Prior	Proposed	Change
Administrative Expenses	6.0%	6.4%	0.4%
Optional Buy-ups	0.6%	0.6%	0.0%
PPACA Fees	3.5%	0.0%	-3.5%
Risk Charge	0.4%	0.2%	-0.2%
Premium and Income			
Taxes	2.0%	2.0%	0.0%
State Assessments	1.5%	1.4%	-0.1%
Commissions	0.4%	0.3%	-0.1%
Profit	1.0%	3.5%	2.5%
Total	15.4%	14.4%	-1.0%
MLR	84.6%	85.6%	

Significant Changes:

- **PPACA Fees:** PPACA fees decreased due to decrease of Reinsurance and Health Insurance Industry Fees to 0% for 1/1/2017 quotes. Accounts with coverage that includes months in the 2018 calendar year will be prorated with 2018 Health Insurance Industry Fees. The Health Insurance Industry Fee is 0% of premium for 2017 calendar months and 3.5% of premium for 2018 calendar months.
- **Profit:** Per the requirement of the GMCB, the profit assumption in our filed and approved rating methodology is 1.0%. In this proposed filing, we are re-submitting assumptions for retention which includes a profit assumption of 3.5% (consistent the assumption used in all non-VT filings). Please see reference to Cigna's position regarding this assumption in the below link:

http://ratereview.vermont.gov/sites/dfr/files/2016/Other/GMCB_001_16rr/Cigna%20Motion%20of%20Consideration.pdf

CHLIC did not pay a rebate in 2014 or 2015 and does not anticipate paying a rebate in 2016 or 2017.

Responses to Objections

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Objection 1

Comment:

As indicated in response 1, the -3.7% is calculated for a representative sample of VT sitused business. In the past, you have described this sample to be a combination of fully insured cases and self-insured cases (for additional credibility). What additional documentation or support could you provide to show that the additional groups are representative of the VT sitused business? Please provide this additional documentation.

Response:

The -3.7% is calculated based upon the VT sitused book of business which includes both fully insured as well as self-insured cases. There were 73 VT sitused cases that had claims exposure in 2015: 61 of those cases were ASO and 12 of those cases were Non-ASO(as shown on the SERFF). The addition of the ASO cases adds credibility/stability to the smaller fully insured book. Theoretically, because we assume there are not differences in the demographics, geographic, or benefit makeup of a self-funded case vs. fully insured case, the inclusion of both in the impact calculation adds credibility and is “representative” of a VT sitused population.

Objection 2

Comment:

Of the -11% impact as a result of updating rating variables on a 1/1/2017 basis, how much of it comes from the medical area factors, medical trend, Rx area factors, and Rx trend, respectively? If the above are not the primary contributing forces to the -11% impact, please also list other factors and their impact. Provide detailed support.

Response:

Below is a breakdown of the -11% impact and its primary contributing factors. As discussed, the -11% is representative of VT situated cases; which is comprised of 52% VT residents and 48% non-VT residents. The -11% impact breaks down into a -11.2% VT resident rating change and a -10.7% non-VT resident rating change. The factors listed are studied at the rating area (i.e. resident level).

For Vermont residents, the -11.2% is driven by the following primary forces:

- Medical Area Factor Change : -6.8%
- Medical Trend Change: -2.8%
- Pharmacy Area Factor Change: -7.0%
- Pharmacy Trend Change: -2.6%

Note: Generally Pharmacy makes up approximately 20% of the total rate.

Non-VT residents changes are similar in magnitude in the categories listed above.

Objection 3

Comments:

Please provide additional support for the change in the professional unit trend from 2016 to 2017.

Response:

Similar to our IP and OP unit trends, trend values changed based upon contracts that we negotiate with our physician partners. There are approximately 1000 different professional fee schedules that pertain to VT residents that we maintain and negotiate on behalf of our customers. The year over year change in unit cost trend from 0.1% in 2016 to 2.9% in 2017 is a direct result of those contract negotiations. Lower trends in 2016 are partially attributable to rebalancing professional unit costs relative to facility costs.

Objection 4

Comments:

Please explain in more detail the change of Rx utilization trend from the last approved filing.

Response:

Rx utilization has increased beyond our original expectations. In particular, we've experienced elevated levels of utilization for non-specialty drugs that treat chronic conditions (e.g. insulin). Also, specialty drugs continue to have elevated utilization levels, particularly as drugs that treat previously untreatable conditions hit the market. We updated our utilization assumption to reflect these phenomena.

Objection 5

Comments:

Why would the PPACA Fees as a percent of premium be 0.0%, given that the Health Insurance Industry Fee will be 3.5% of premium for 2018?

Response:

For purposes of the SERFF, we represent the filed rate change and associated target MLR on a 1/1/2017 effective date basis. As stated, PPACA fees decreased due to decrease of Reinsurance and Health Insurance Industry Fees to 0% for 1/1/2017 quotes. Accounts with coverage that includes months in the 2018 calendar year will be prorated with 2018 Health Insurance Industry Fees. The Health Insurance Industry Fee is 0% of premium for 2017 calendar months and 3.5% of premium for 2018 calendar months.

Objection 6

Comments:

What is the realized profit for the block of Large Group for 2015? Please make sure that the figure can be backed up by the 2015 financial statement.

Response:

Cigna's Large Group fully insured book of business in VT has been reduced significantly over the last several years and at year end 2015 only contains 1940 customers, 12 accounts. Given the low credibility of the VT book, a shrinking book, and the fact that healthcare costs are inherently volatile, the actual historical retention can differ significantly from the expected/projected retention. As such, realized profit should not be used to evaluate the appropriateness of any other pricing assumption. Cigna does not set proposed pricing factors based on historical profit levels.

Per the Supplemental Healthcare Exhibit (SHCE), the realized profit (UW Gain/Loss) for Large group as a % of premium in VT in 2015 is 5.9%.

Objection 7

Comments:

What is the projected profit for the block of Large Group for 2016? Please make sure that the figure will be reasonably backed up by the forthcoming 2016 annual statement.

Response:

As discussed in Objection 6, Cigna's Large Group fully insured book of business in VT has reduced significantly over the last several years. In 2016, the fully insured book shrank approximately 50% off the year end 2015 baseline. We believe many of these lost cases joined the Vermont exchange. In 2017, we only have 4 fully insured VT situated accounts on our book.

Given the low credibility of the VT book, a shrinking book, and the fact that healthcare costs are inherently volatile, the actual historical retention can differ significantly from the expected/projected retention. As such, realized profit should not be used to evaluate the appropriateness of any other pricing assumption. Cigna does not set proposed pricing factors based on historical profit levels.

Cigna does not produce quarterly SHCE's and the FY2016 SHCE is not yet available. Using data from our MLR rebate projections we expect our projected realized profit for the Large Group block of VT situated business to be in the mid-single digits for 2016 as a % of premium.

Responses to Objections

Contents

Objection 1 2

Objection 1

Comment:

The following Table was provided in your 1/24/2017 response.

- a) Please provide detailed support for the derivation of the 9.4% figure
- b) Please confirm that the following table is for an illustrative effective date of 1/1/2017.
- c) If so, what would the numbers be for a 7/1/2017 effective date (i.e., for those accounts with coverage including 6 months in the 2018 calendar year)?

Category	Change
Rating Variables	-11.0%
Med+Rx Filed Trend	9.4%
MLR Impact	-1.1%
Total Impact	-3.7%

Response:

- a) Please provide detailed support for the derivation of the 9.4% figure

The 9.4% is a weighted average of Medical and Rx filed and approved trends from the CHLIC rate filing approved on 3/29/2016. As discussed, this figure is calculated for a representative sample of situs accounts which have a blend of VT resident and non-VT resident populations. For VT residents, the filed and approved medical and pharmacy 17/16 trends are 8.9% and 12.9% respectively. As stated in previous objections, VT residents make up approximately 52% of the VT situs population.

Below is the general calculation:

$$\text{Trend} = (\% \text{ Medical}) * (\text{Medical Filed Trend}) + (\% \text{ Rx}) * (\text{Rx Filed Trend})$$

$$\text{VT Resident Trend} = (80\% * 8.9\%) + (20\% * 12.9\%) = 9.7\%$$

$$\text{Non-VT Resident Trend} = (80\% * 8.6\%) + (20\% * 12.9\%) = 9.5\%$$

$$\text{VT Sitused Trend} = (52\% * 9.7\%) + (48\% * 9.5\%) = 9.6\%$$

The 0.2% discrepancy between the 9.6% stated above and the 9.4% may be partially driven by small variance in the 20% Rx assumption.

- b) Please confirm that the following table is for an illustrative effective date of 1/1/2017.

We can confirm that the table attached is for an illustrative effective date of 1/1/2017.

- c) If so, what would the numbers be for a 7/1/2017 effective date (i.e., for those accounts with coverage including 6 months in the 2018 calendar year)?

If the rate change is a comparison between 7/1/2016 filed and approved rates and a proposed 7/1/2017 effective date, here are the impacts:

Category	Change
Rating Variables	-11.6%
Med+Rx Filed Trend	9.4%
MLR Impact	3.0%
Total Impact	-0.4%

- Rating Variables – The increase in the impact of rating variables is primarily due to differences in trend. Our proposed filing is requesting lower medical and pharmacy 2017+/2016 trends than our current filed and approved. The addition of 6 months adds approximately -0.8% impact for VT residents, which is slightly dampened when combining with the impact for non-VT residents.
- Med+Rx Filed Trend – Same impact as noted in objection a) above
- MLR Impact:

	1/1/2016	7/1/2016	1/1/2017	7/1/2017
Administrative Expenses	6.0%	6.0%	6.4%	6.4%
Optional Buy-ups	0.6%	0.6%	0.6%	0.6%
PPACA Fees	3.5%	1.75%	0.0%	1.75%
Risk Charge	0.4%	0.4%	0.2%	0.2%
Premium and Income				
Taxes	2.0%	2.0%	2.0%	2.0%
State Assessments	1.5%	1.5%	1.4%	1.4%
Commissions	0.4%	0.4%	0.3%	0.3%
Profit	1.0%	1.0%	3.5%	3.5%
Total	15.4%	13.7%	14.4%	16.2%
MLR	84.6%	86.4%	85.6%	83.9%

MLR impact = (Current MLR)/(Proposed MLR) - 1

- MLR Impact (1/1/2017 vs. 1/1/2016) = -1.1%
- MLR Impact (7/1/2017 vs. 7/1/2016) = 3.0%

As discussed, the major difference between 1/1/2017 retention and 7/1/2017 retention is the HIIF fee. PPACA fees decreased due to decrease of Reinsurance and Health Insurance Industry Fees to 0% for 1/1/2017 quotes. Accounts with coverage that includes months in the 2018 calendar year will be prorated with 2018 Health Insurance Industry Fees. The Health Insurance Industry Fee is 0% of premium for 2017 calendar months and 3.5% of premium for 2018 calendar months.

Matthew Danziger, FSA, MAAA
Actuarial Director



April 6, 2017

The Green Mountain Care Board
89 Main Street
Montpelier, VT 05620

Attn: Judith Henkin
General Counsel

Routing C5PRC
900 Cottage Grove Road
Bloomfield, CT 06002
Telephone (860) 226-1672
Matthew.Danziger@cigna.com

RE: Docket No. GMCB-001-17rr (CCGP-130705386)

Dear Ms. Henkin,

Cigna Health and Life Insurance Company (**CHLIC**) has reviewed the decision and order from the Green Mountain Care Board (the "**Board**"). Per the Board's order, in the following submission we have reduced our profit assumption from 3.5% to 2.0%, which results in an overall illustrative average manual rate decrease of -5.4%. If filing approval is received by 4/14/2017, rates will be applied to any new quote issued after the next update to the IT rating system, which is scheduled for 7/31/2017.

Thank you,

A handwritten signature in blue ink that reads "Matthew Danziger". The signature is written in a cursive, flowing style.

Matthew Danziger

Cc: Kaili Kuiper (via email KKuiper@vtlegalaid.org)
Noel Hudson (via email Noel.Hudson@vermont.gov)
Lila Richardson (via email lrichardson@vtlegalaid.org)

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State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Rate Filing/

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/25/2016		Supporting Document	Actuarial Memorandum	04/06/2017	CHLIC - VTactuarial memo.pdf (Superseded) CHLIC-VTexh.pdf

EXHIBIT I

ACTUARIAL MEMORANDUM AND CERTIFICATION

Scope and Purpose

The purpose of this filing is to submit CIGNA Health and Life Insurance Company's group manual rating methodology. Our pricing model was developed to provide a consistent rating methodology across products. This filing includes Open Access Plus, PPO, Network, Indemnity, and retiree medical insurance product, and is applicable for groups of 100 or more lives. Methodology is also included for Pharmacy products.

Benefit Description

The benefits covered in this memorandum include group health insurance coverage as described in CIGNA Health and Life Insurance Company forms HP-POL et al, and HC-TOC et al.

Census

Member level census will be used when available. If only subscriber level data is available, penetration and translation assumptions will be used to create a member level census for manual rate development. The penetration and translation assumptions used are developed from studies of our book of business, which includes experience from similar CIGNA Health and Life Insurance Company ("CHLIC") policies. Penetration estimates the number of subscribers that will select the CIGNA Health and Life Insurance Company plan; the translation process develops projected subscribers and members within rating tiers.

Adjustments to Base Claims

The base claim rates by area are adjusted for certain group and member characteristics. These include industry loads and discounts, age and sex demographic adjustments, and trends.

Adjustments for industry (SIC) are developed from a study of our book of business combined with results from an outside consultant's national industry factor assessment study.

Age and sex demographic adjustments are developed from a study of our book of business. The resulting age/sex slopes are normalized to represent the national census.

Trends reflect historical experience from CHLIC's group medical experience and projections for future levels. Medical trend rates are applied on a daily basis.

Benefit Plan Adjustments

Base claims are reduced for specific cost sharing features of the product and benefit plan selected. Copay and other cost sharing benefit design related adjustments are made using assumptions regarding utilization levels by base claim component. Claim distributions are used to determine the impact of deductibles, coinsurance and out of pocket maximums. In addition, a utilization dampening factor is applied to reflect lower utilization levels as cost sharing rises.

Renewability Clause

The benefit plans covered under this memorandum are guaranteed renewable.

Applicability

CHLIC, Inc. anticipates both renewals and new issues from the forms currently filed.

Marketing Method

These products are sold to employer-employee groups, labor union groups and association groups through CIGNA Health and Life Insurance Company group sales offices.

Premium Classes

Premium rates may vary by product, plan design, geographic area, group demographics, industry, effective date, experience, and underwriting discretion.

Issue Age Range

There are no issue age restrictions in our policy forms; however, eligibility requirements must be fulfilled.

Premium Modalization Rules

The CIGNA Health and Life Insurance Company Health Manual produces monthly premiums. Modalization factors are expressed as a function of these monthly rates as follows:

Annual	11.8227
Semi-Annual	5.9557
Quarterly	2.9852

Distribution of Business

Rates vary by geographic location and group specific characteristics, including demographics. Target distribution is to groups with both single employees and employees with dependents, assuming a 40/60 distribution

Rating

The group rates filed represent the rate level we expect to be necessary to achieve a desired average loss ratio for all group contracts. Accordingly, actual rates for groups will vary as a result of a variety of factors. These include variation in benefit plan, age, gender, family composition, size, industry, area, healthplan claim experience, pharmacy indicators and underwriting discretion.

Depending upon group size, case specific claim experience may be used to adjust the rate. Credibility is based on group size, pooling level and months of experience. Rates for partially credible groups are based on a blend of experience and manual rating.

For Minimum Premium plans, the premium paid by the policyholder is reduced for the portion of the total claim amount that is expected to be self-insured.

Anticipated Loss Ratio

The methodology and supporting factors apply to groups of 51 or more employees.

The anticipated large group loss ratio for this policy is 85.6%.

The components of Cigna's retention for our Large Group pricing are as follows:

Administrative Expenses 6.4%

Optional Buy-ups 0.6%

PPACA Fees 0.0%

Risk Charge: 0.2%

Premium and Income Taxes 2.0%

Profit 3.5%

State Assessments 1.4%

Commissions 0.3%

Total 14.4%

Comparison to Status Quo

This filing includes a number of changes to our medical and pharmacy rating methodologies. It is difficult to quantify each change independent of the others. The average expected decrease in manual rates in Vermont is -3.7%. This figure was calculated by comparing the current filed and approved manuals using an illustrative effective date of 1/1/2016 to the proposed 1/1/2017 manuals for a representative sample of Vermont sitused business. This figure is inclusive of one year of trend. (Note: The number of fully insured accounts sitused in Vermont in 2015 was 12 consistent with the company's Supplemental Health Care Exhibits.)

Changes to Methodology for the 2017 Cigna Rate Filing

- Updates to the collective deductible and collective out-of-pocket maximum methodologies
- Updates to the medical base claims
- Updates to the medical area factors and trend
- Updates to the medical capitation percentages
- Updates to the enhanced non-par claims adjustment
- Updates to the inpatient number of copays per admit adjustment
- Updates to the medical effective deductible and effective out-of-pocket maximum adjustments
- Updates to the medical utilization dampening
- Changes to community rate loads
 - Revision:
 - Modular Medical Management adjustment
 - Criteria-Based Network adjustment
 - Addition:
 - Telehealth adjustment
 - Removal:
 - Lock-in decrement (now rolled into medical area factors)
 - Case-size adjustment for NJ
- Updates to the base rates for all medical riders
- Updates to the POS Load coefficients
- Updates to the MHSUD trend and rates
- Updates to the Vision cost and service utilization
- The methodology for rating pharmacy benefits has significantly changed. Reference Step 6 of the rate filing.
- Several new pharmacy tables have been added to the appendix to support the new methodology. Pharmacy tables that have not changed include:
 - Demographic Factors
 - Utilization Dampening
 - Industry Factors
 - Multiple Offering Loads
 - Pharmacy Clinical Management Programs

Credibility Formula Revision

Cigna Health and Life Insurance Company uses experience rating on large employer commercial customers to set future rates based on the past experience of the customer, where a customer is defined as the aggregation of all Cigna Health and Life Insurance Company accounts associated with a given employer, nationwide.

For prospectively rated accounts, the number of member months at which the experience is considered fully credible depends on the pooling point, shown in the chart below. Partial credibility (blending experience with manual) would be reflected using the following formula:

$$Credibility = \sqrt{\frac{Member\ Months}{Upper\ Bound}}$$

Where the upper bound varies based on pooling point as follows:

Pooling Point Range	Upper Bound
\$0-\$29,999	5552
\$30,000 -\$59,999	7000
\$60,000 - \$89,999	9000
\$90,000 - \$139,999	11000
\$140,000 +	12000

There is a minimum of 5 months of experience for paid claims and 4 months for incurred claims as well as a minimum overall of 100 member months to have any credibility. If member months are greater than or equal to the upper bound, credibility is 100%.

ACTUARIAL CERTIFICATION

Opinion

In my opinion, the rates were developed using reasonable actuarial assumptions, and the rate levels are reasonable in relationship to the benefits provided. The actuarial data and experience will be maintained by the company and available for review by the Green Mountain Care Board upon request.

I certify that to the best of my knowledge and judgment, this rate filing is in compliance with the applicable laws and regulations of the State. In summary, I believe that the rating assumptions proposed will produce rates which are not excessive, inadequate, or unfairly discriminatory



Matthew D. Danziger, FSA, MAAA
Actuarial Director

Date: 12/30/2016